



REVIEW OF RATING POLICY

**NON-DOMESTIC CHARITABLE
EXEMPTIONS AND RELIEFS FROM RATE
LIABILITY IN NORTHERN IRELAND**

CONSULTATION REPORT

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FOREWORD BY JEFF ROOKER

Minister of State

The rating system in Northern Ireland was one of the first key areas identified by the Northern Ireland Executive as in need of reform. This is hardly surprising given that many of its key features are over 150 years old. It is widely recognised that the system has many shortcomings, inequities and anomalies that need to be tackled. The Executive therefore initiated a wide-ranging review with the aim of establishing a fairer basis for raising local revenues, all of which are used for investing in public services within Northern Ireland.

The policy paper on Charitable Exemptions and Reliefs published for consultation in February of this year provided the opportunity to extend the review into this important area. It considered the relevance and adequacy of the existing range of exemptions for charities and non-profit organisations that have not been questioned in recent years and invited responses on a range of proposed measures to encourage activities that are community based. The paper set out proposals for increasing the level of rate relief for amateur sports clubs, fully exempting community halls and also extending partial relief to privately owned houses used for church business. This report summarises the views expressed during consultation and outlines the Government's response and next steps.

I have listened carefully to the views of all of those who responded in writing and participated in various consultation seminars and these have been taken into consideration in deciding how best to modernise the range of exemptions and reliefs available to non-profit making organisations and make them more effective.

Most of the responses broadly supported the retention of the existing main charitable exemptions and reliefs and I have therefore decided that no change is necessary in this area. In addition views were expressed which were generally in favour of an immediate increase in the current level of mandatory relief for sport and recreational clubs from 65% to 80%, which will bring Northern Ireland into line with the rest of the United Kingdom. I have decided however that consideration of a remaining 20% discretionary element of relief for clubs should be considered at a later stage, once the Review of Public Administration has established the future form of local government in Northern Ireland.

In addition there was general agreement that community halls that open their doors for wider public benefit should be fully exempt from rates. I believe that both this measure and the increase in the level of sport and recreational relief will encourage both greater community spirit and ease the financial burden on many community based organisations in Northern Ireland. In order to maximise these benefits, these changes will be included in proposed legislation later this year to ensure that support is available as early as possible, and hopefully in time for the 2006/2007 rating year.

Further research and analysis is required to finalise policy on improving the eligibility rules for sports clubs, the social economy sector and consideration of whether bodies

such as universities and other educational establishments should be exempted from rates. These are important but complex areas of non-domestic reform that require careful consideration. However I am committed to making sure that the rating system treats everyone in a fairer and more equitable way and that any anomalies are removed as soon as possible. Where change is considered necessary then I envisage that this will be included in legislation scheduled for 2007.

In addition, this legislation will include an enabling power to allow a future Northern Ireland Assembly to readily increase the level of relief available to charity shops that sell fair trade goods in addition to donated goods. The proposal for extending partial relief to houses owned by full-time ministers of religion and other similar clergy will also be included.

The conclusion of the public consultation on this aspect of the review of rating policy marks an important milestone in reform of the rating system in Northern Ireland. The views expressed have been both helpful and informative and have contributed directly to the formulation of policy, and it is my belief that this has led to a sound and balanced package of measures that supplements the existing range of reliefs to the non-business sector, without putting an unnecessary strain on the businesses and householders who pay their rates in full.

A further package of relief measures will be announced shortly which will be of direct benefit to the business and rural sectors. This follows publication of policy proposals that were consulted on between March and July of this year and reinforces the Government's commitment to re-examine all areas of the rating system in Northern Ireland.

A handwritten signature in dark ink, appearing to read 'Jeff Rooker', with a horizontal line underneath the name.

JEFF ROOKER
MINISTER OF STATE

EXECUTIVE SUMMARY

The Review of Rating Policy was commissioned by the Northern Ireland Executive in recognition that the rating system in Northern Ireland was in need of reform. The first public consultation exercise on rating policy was launched on 27 May 2002.

The Review, among other issues, sought views on the existing provisions that allow exemption or relief from rates for properties used for public or charitable purposes, for sports and recreation and community purposes. The policy paper also set out, and sought views on, the Government's preferred approach to reform.

The Government considered the views expressed during the public consultation and published initial proposals in a policy paper on Charitable Exemptions and Reliefs in February 2005. The key reforms were to:

- extend partial relief to privately owned houses used for church business;
- fully exempt community halls; and
- increase the level of rate relief for amateur sports clubs;

The consultation period lasted 16 weeks and concluded on 17 June 2005. This consultation report summarises the views of all those who responded in writing and participated in the consultation seminars. It also sets out the Government's response and next steps in this reform area.

Key Reform Areas

Minister's Houses

One written response was received on the issue expressing full support for the proposal and no objections to it were received. The Government will extend relief to full-time ministers and other similar clergy in circumstances where they carry out pastoral duties from a main domestic residence that they own. The hereditament will be 50% exempt from rates. Rate relief however will not be granted where these duties are substantially conducted from elsewhere, e.g. a church office.

Community Halls

On the question of full exemption for community halls that were made available for use by the wider community, the majority of those that responded were fully supportive of the policy proposal to fully exempt 'community halls', although there were differing opinions on whether exemption should be tested or made automatic. The Government intends to bring forward this proposal as soon as possible by including it in legislation planned to come into operation in April of next year.

The other main aspect of this policy proposal was to exclude from full exemption halls that have a full liquor licence but allow those licensed halls currently in receipt of partial exemption to retain that percentage level. Of the seven responses on this issue, only two were in full agreement with the proposal as stated. Most of the remainder were in favour of the use of occasional licences or where profit derived

from having a licence was to be used for the charitable or social aims of the organisation involved. In response to this concern, the Government intends that occasional licences would fall within the scope of the exemption.

It was noteworthy that, those Gaelic Athletic Association (GAA) clubs that responded, considered that their premises should be fully exempt on the grounds that they were made available to the wider community. However qualifying sports such as those played by the GAA will benefit from an increase in rate relief from the current 65% to 80%.

The consultation highlighted general support to simplify the present system for applying rate exemption to halls and the Government has therefore decided to move from the current system of 'use' to one based on 'intention of use.' Confirmation that the hall is being made available for wider community purposes will be required.

Sport and Recreational Relief

There was widespread support to bring Northern Ireland into line with Great Britain by increasing the level of mandatory relief available for all qualifying sports clubs from 65% to 80%.

The existing system in Northern Ireland for sport and recreational rate relief is broader than that in the rest of the United Kingdom however the actual level of relief available is less in Northern Ireland. The Government will bring Northern Ireland into line with the rest of the United Kingdom by increasing the level of relief available for all qualifying sports clubs from 65% to 80%.

The increase will benefit both Community Amateur Sports Clubs (CASCs) and non-CASCs in Northern Ireland. This places qualifying sports clubs, specifically non-CASCs, in Northern Ireland at an advantage to their counterparts in the rest of the United Kingdom. Sporting clubs in Great Britain only receive the mandatory 80% relief if they are registered as CASCs or have charitable status. Non-CASCs must apply to local authorities for discretionary relief which can be up to a maximum of 100% but is often much less.

The Government acknowledges that the policy paper did not address the timescale for the introduction of the 80% relief. This was one of the two main areas of concern expressed by respondents. In acknowledgement of these valid concerns, the Government intends to bring forward this proposal as soon as possible by also including it in the legislation planned to come into operation next year.

The second main concern is about discretionary relief being made available in Northern Ireland for some sports clubs to gain additional or full exemption from rates (i.e. for the remaining liability of up to 20%). The scheme in Great Britain is administered and funded by local authorities and if such a scheme were to be introduced in Northern Ireland, similar arrangements could apply. However, the role of local government and the financing of it, is subject to a fundamental review at this time (the Review of Public Administration). The Government therefore intends to delay a decision on this matter until the new structures and responsibilities are in place, which is expected to be in 2009.

Other issues

The issues set out above cover the Government's key reforms of the non-domestic rating system in Northern Ireland. In addition, a number of supplementary issues were raised in the policy paper, and considered during the consultation. The following paragraphs set out the relevant issues and the Government's policy intention in relation to these.

Churches and related buildings

One response was received in support of the proposal to retain the existing level of exemption for places of public worship and ancillary buildings. As no objections were raised the Government considers that no change is necessary in this area.

Charitable exemptions and reliefs

Most of the responses broadly supported the retention of the existing main charitable exemptions and reliefs that apply to charities, quasi charities and charity shops. The Government has therefore decided that no change is necessary in this area.

Of those that responded, there was almost unanimous support for exempting charity shops to the extent that they sell 'fair trade' goods but general disagreement on the need to await the outcome of the Review of Charities Administration and Legislation being carried out by the Department for Social Development. Given the support for this policy, the Government has decided that provision should be made for an enabling power to allow a future Northern Ireland Assembly to readily increase the level of relief available to charity shops that sell fair trade goods in addition to donated goods.

Bodies excluded from rate exemption

Of those that responded, there was general support for the need to review the list of bodies excluded from exemption. Due to the complexity of this area, more research and analysis is required. It is clear that there are significant anomalies in the current system which have come to light through the consultation process. The focus of future reforms will be to ensure that the current inequities are removed so that some organisations are not disadvantaged compared to others. If reform is considered necessary, changes can be made relatively easily through subordinate legislation and therefore the issue can be dealt with separately from the other reforms.

Relaxing the restriction on the employment of professional player coaches

There was a high level of support for relaxing the restriction on the employment of player coaches. However the consultation highlighted some difficulties associated with implementing such a measure such as defining the term 'professional' and dealing with the complexities of contractual arrangements that exist between players and clubs. In light of these difficulties, the Government considers it prudent to conduct further research and analysis before finalising policy in this area.

List of prescribed recreations

Attendees at the House of Sport seminar agreed that further investigation was necessary in this area. The Government intends to review the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979 following further consultation with the Northern Ireland Sports Council and other appropriate bodies. Such a consultation will take account of the views expressed during the consultation. Any addition to, or exclusion from, the list of prescribed recreations will be carried out through subordinate legislation.

Ability to pay

The policy paper sought views on whether relief should be given to all amateur sports organisations regardless of ability to pay or should clubs in those (few) sports that are able to generate significant income or attract commercial funding be excluded from the higher level of relief. The consultation was unsuccessful in gathering evidence on this issue. Further research will therefore be necessary before a view can be taken.

The social economy sector

The policy proposal was to defer consideration of rate relief for this sector pending further investigation. Of those that commented on the social economy, most were in favour of a rate relief system that supported this.

Further research revealed that in Great Britain the Government supports the social economy sector through the national tax system and there are no plans at this time to supplement this by giving rate relief.

The social economy is a diverse sector and there are difficult issues around defining what is social economy and what is private enterprise. Furthermore, it is a sector that continues to develop. Notwithstanding these difficulties, there may be merit in considering relief to such organisations in the future, particularly in view of requirements to align with policy elsewhere, in terms of wider economic and social strategy both here and in Great Britain.

It is the Government's view that rate relief should not be made available at this time. However it will be kept under review pending any further developments either in Great Britain or in other policy areas in Northern Ireland.

Final summary of impact assessments

The initial Integrated Impact Assessment (IIA) was published on 28 February 2005 and was subject to a sixteen-week consultation. It contained analysis completed on four categories: miscellaneous charities (including charity offices, churches and related buildings, local government properties, clubs and social economy properties), charity shops, community halls; and sport and recreation facilities.

The consultation process generally supported the outcomes of the analysis produced in the initial IIA. No evidence was produced of unexpected adverse impact and no views were expressed that would lead the Government to significantly adjust the policy proposals or introduce mitigating measures.

Summary of non-domestic charitable exemptions and reliefs reforms

- Extend relief to full-time ministers and other similar clergy where pastoral duties are carried out from a main domestic residence that they own;
- Fully exempt community halls from rates provided the properties are made available for use by the wider community, do not have a permanent liquor licence and are not a registered club;
- Simplify the system for exemption for halls by removing the need to keep detailed records of use of the premises;
- Increase the level of relief available for all qualifying sports clubs from 65% to 80%;
- Await the conclusion of the Review of Public Administration before considering whether or not a discretionary element of rate relief (on top of the 80% proposed) should be made available for qualifying sports;
- Retain the existing level of exemption for places of public worship and ancillary buildings;
- Retain the main existing charitable exemptions in relation to charities, 'quasi' or recreational charities and charity shops;
- Provide for an enabling power to allow a future Northern Ireland Assembly to readily increase the level of relief available to charity shops that sell fair trade goods in addition to donated goods;
- Carry out further research and analysis into prescribed bodies that are currently excluded from exemption;
- Carry out further research and analysis before considering whether to relax the restriction on the employment of professional player coaches;
- Review the list of prescribed recreations in the Rates (Recreational Hereditaments) Order following further consultation with the Northern Ireland Sports Council and other appropriate bodies;
- Carry out further research and analysis into whether clubs that earn substantial income from commercial interests should continue to get rate relief;
- Rate relief for the social economy sector will not be made available at this time, however it will be kept under review pending any further developments either in Great Britain or in other policy areas in Northern Ireland.

SECTION 1

INTRODUCTION

1. The Review of Rating Policy was commissioned in May 2000 by the Northern Ireland Executive in recognition of the widely held view that the existing rating system was considered to be out of date, unfair and incapable of supporting commitments made in the Executive's Programme for Government. This view was confirmed during the first public consultation exercise on rating policy that was launched on 27 May 2002 and sought views on a wide range of options for reform relating to both the domestic and non-domestic sectors.
2. The Review, among other issues, sought views on the existing provisions that allow exemption or relief from rates for properties used for public, charitable, sport and recreation or community purposes. The Government considered the views expressed during the public consultation and published initial proposals in a policy paper (that included a summary of impact assessments) in February 2005. The policy paper also set out, and sought views on, the Government's preferred approach to reform.

The consultation process

3. The start of the consultation process was advertised widely in the local press and approximately 433 copies of the policy paper were circulated to a variety of interest groups and individuals in February 2005. The policy paper, and associated documentation, was also made available on the internet, and in alternative formats and languages on request including Braille, Irish and Ulster Scots. During the consultation period there were almost five thousand requests for downloading the policy paper from the Rating Policy website and almost two thousand requests for downloading the Equality Impact Assessment.
4. Additionally NICVA advertised the publication of the Policy Paper and IIA in its March newsletter. This was sent to over seven thousand community and voluntary organisations. NICVA also advertised these two papers on its website throughout the consultation period.
5. During the consultation period two seminars were held, one at NICVA on 9 May 2005 and the other at the Northern Ireland Sports Council on 17 May 2005 targeting the charitable and sports clubs sectors respectively. A list of representatives from organisations attending these seminars is detailed in Annex A

6. The consultation period lasted sixteen weeks. While the closing date for written responses was 17 June 2005, a number of late responses were accepted from a range of organisations. Forty-seven written responses were received in total, one from an individual and forty-six from organisations, including one political party i.e. the Democratic Unionist Party (DUP). A list of those who responded is provided at Annex B. Both this and the responses received have been published on the Review of Rating Policy website.

This report

7. This report aims to provide a summary of the views expressed during the consultation exercise on each of the key reform proposals as presented in the policy paper. These are summarised below and set out in detail in Section 2. The report also sets out the Government's response and next steps (Section 3). Section 4 provides a final summary of impacts on the Government's response.

Summary of the policy proposals for
non-domestic charitable exemptions and relief

- Retain the existing level of exemption for places of public worship and ancillary buildings;
- Extend relief to full-time ministers and other clergy where pastoral duties are carried out from a main domestic residence that they own;
- Retain the main existing charitable exemptions in relation to charities, 'quasi' or recreational charities and charity shops;
- Await the outcome of the Review of Charities Administration and Legislation in Northern Ireland before considering the question of the treatment of 'fair trade goods';
- Fully exempt community halls from rates provided the properties are made available for use by the wider community;
- Exclude from exemption halls that have a liquor licence while ensuring that the small number of licensed halls that are currently in receipt of partial relief are not disadvantaged by the proposal in terms of any relief they currently receive;
- Simplify the present system for applying for exemption for halls;
- Review the list of prescribed bodies that are currently excluded from exemption;
- Increase the level of relief available for all qualifying sports clubs from 65% to 80%;
- Await the conclusion of the Review of Public Administration before considering whether or not a discretionary element of rate relief (on top of the 80% proposed) should be made available for qualifying sports;
- Review the list of prescribed recreations;
- Consider relaxing the restriction on the employment of professional player coaches;
- Examine the continuation of rate relief in circumstances where clubs earn substantial income from commercial interests;
- Defer consideration of the introduction of rate relief for the social economy.

SECTION 2

SUMMARY OF FINDINGS

8. This section summarises the proposals and views expressed on each of these through the written responses and the themed seminars. There are a number of supplementary issues that arose during the course of the consultation which are summarised under the relevant sub-section.

SUBSECTION 2.1 - CHURCHES AND RELATED BUILDINGS

Proposal: Retain the existing level of exemption for places of public worship and ancillary buildings

Background

9. Places of public worship have been fully exempt from rates from the nineteenth century and this is common in most countries. Exemption from rates is based on the rationale that the promotion of religion is one of the four main purposes accepted as charitable in law. Ancillary buildings such as church halls are also exempt from rates. Church houses receive 50% exemption from rates on the basis that they will be used as living accommodation for ministers of religion.
10. During an earlier consultation exercise in 2002, there was considerable support for maintaining the current relief for churches on the basis that these buildings provide a valuable service to local communities. The policy proposal subsequently reflected these views.

Consultation responses

11. Only one response was received on this issue from an MLA supporting the proposal. No objections to it were received.

Proposal: Extend relief to full-time ministers and other similar clergy where pastoral duties are carried out from own domestic residence

Background

12. Ministers of full-time religion and other similar clergy who carry out pastoral duties from their own home do not presently qualify for rate relief, unlike those who

reside in 'church' owned property. However, the practice of churches providing living accommodation for ministers and other similar clergy has changed over recent years and they are now more likely to carry out official church business from a house which they own.

13. The main issue for consideration was therefore whether the current exemption, granted to 'church owned' domestic property, should be extended to full-time ministers and other similar clergy who own their home and use it for church business.

Consultation responses

14. Only one response was received on this issue from an MLA supporting the proposal. No objections to it were received.

SUBSECTION 2.2 - CHARITABLE EXEMPTIONS AND RELIEFS

Proposal: Retain the main existing charitable exemptions

Background

15. Under the existing rating legislation¹ charities are entitled to full exemption from rates except to the extent to which their premises are used for non-charitable purposes. As a general rule, a secondary activity will be regarded as charitable if it directly facilitates the main charitable activity. A non-charitable activity might be an activity that is purely for commercial purposes.
16. No issues were raised in the 2002 Review of Rating Policy Consultation on charitable exemptions. Respondents were generally content with the system. The proposal in the policy paper was therefore to retain the current position.

Consultation responses

17. The Simon Community, NICVA, McMillan Cancer Relief and one MLA commented on this issue, all of whom supported the proposal to retain the main existing charitable exemptions.
18. Attendees at the NICVA seminar, while content with the current system, expressed the view that the commercial fundraising activities of charities should not preclude organisations from charitable exemption.

¹ The Rates (Northern Ireland) Order 1977 (S.I. 1977 No. 2157 (N.I. 28)); Article 41

19. It also extends the definition of charitable purposes to recreational charities if they are used wholly or mainly for purposes declared (as in Article 41 (2) (e) to be charitable under the Recreational Charities Act (NI) 1958². However, the range of recreational activities available, and the number of organisations that provide them, has increased significantly from when the legislation was enacted. This has given rise to difficulties in determining whether the 1958 Act embraces the wide range of recreational activities that are now available. Nevertheless, the principles of the Act remain as relevant today in that the activities must be in the interests of social welfare and be of public benefit.
20. Despite these difficulties, no concerns were expressed about the provisions in the 2002 consultation exercise. The proposal in the policy paper was therefore to retain the current position in relation to 'quasi' or recreational charities. However it was acknowledged that the Government would follow developments arising from the Department for Social Development (DSD) Review of Charities Administration and Legislation in Northern Ireland and in particular any extension of charitable status.

Consultation responses

21. Two responses were received on this issue. NICVA supported the proposal to retain the current position subject to clarification being provided on the definition of the terms 'quasi' and 'recreational charities'. This view was also expressed at the NICVA seminar.
22. A local artist, proposed that the current legislation should be amended to allow individual artists or groups of artists exemption from rates regardless of whether they had charitable status or not.

Proposal: Retain the current legislation relating to the treatment of charity shops

Background

23. The existing rating legislation³ allows charity shops to gain exemption to the 'extent that [they are] used for the sale of goods donated to a charity, so long as the proceeds of sale ... are applied for the purposes of a charity'⁴. A charity shop must be able to show the percentage of donated and non-donated goods sold. Exemption is only provided in relation to the sale of donated goods. This restriction is designed to ensure that assistance is targeted towards shops

² 1958 c.16

³ Article 41(2)(c) of the Rates (Northern Ireland) Order 1977

⁴ Article 41(5) of the Rates (Northern Ireland) Order 1977

predominantly selling second hand goods. It is felt that charity shops, which are to all intents and purposes trading commercially, should not be eligible for exemption from rates.

24. In developing its proposals, the Government recognised the concerns of local businesses, in relation to the proliferation of charity shops in recent years. However, it was satisfied that the original rationale for providing exemption to this sector was still relevant. The proposal was therefore to retain the current legislation relating to the treatment of charity shops for exemption purposes.

Consultation responses

25. The Association of Charity Shops, War on Want, the Simon Community, NICVA and one MLA responded on this issue. All of the comments received were supportive of the proposal to retain the current legislation.

Proposal: Await the outcome of the review of charities legislation in Northern Ireland that is being conducted by the Department for Social Development in relation to the question of the treatment of 'fair trade goods'

Background

26. As part of the Review of Rating Policy, consideration was given to whether charity shops should be exempt from rates to the extent that they are used for the sale of 'fair trade' goods. The main argument put forward in favour was that the purpose of selling fair trade goods is not to make profit but improve the conditions in developing countries and promote a more equitable system of international trade. On the other hand, exempting charity shops to the extent that they sell fair trade goods could be perceived as unfair to other retailers selling fair trade goods.

27. This policy consideration was also informed by the outcome of the Review of the Register of Charities by the Charity Commission, which concluded that promoting fair trade should now be regarded as a charitable activity in England and Wales.⁵ This Review did not cover Northern Ireland as charity administration in this jurisdiction operates under a different system. However in view of the current Review of Charity Administration and Legislation being undertaken by the DSD, the Government proposed to defer consideration of the treatment of fair trade goods until the outcome of this Review would be known.

⁵ Recognising New Charitable Purposes, RR1a, Charity Commission (2001)

Consultation responses

28. NICVA, War on Want and the Association of Charity Shops responded on this proposal. All three respondents were in favour of the principle of exempting fair trade goods sold in charity shops. NICVA suggested that fair trade goods should be given a special classification so as to avoid any confusion in the future. However NICVA and War on Want did not support the Government's proposal to defer consideration of the issue until the DSD Review had concluded given that it was unlikely to deal with the issue of trading or the treatment of 'fair trade goods'. War on Want also expressed concern that the issue, if not addressed now, would not be addressed in the near future.

SUBSECTION 2.3 - COMMUNITY HALLS

29. At present, community halls (e.g. Orange Halls, Hibernian Halls, Masonic Halls etc.) that are occupied by non-charitable organisations are liable to pay rates. However, such halls are entitled to partial exemption in proportion to the amount of time they are used for community activity. The extent of use for purposes such as Sunday schools, community based youth clubs and playgroups are apportioned as exempt from rates. Where a hall is used for such purposes the occupier must be a not-for-profit organisation and at least 10 per cent of the use of the hall must be deemed to be recreational under the Recreational Charities Act (Northern Ireland) 1958.

30. The percentage of exemption available to such halls, therefore, is in direct proportion to the use of the facility for charitable or community purposes with no upper limit on the level of exemption. However take-up of this exemption is piecemeal at best and is believed to be low relative to the actual community use of halls. It is therefore considered that occupiers of these halls could make greater use of the exemption provision.

31. While respondents to the 2002 consultation exercise acknowledged that Orange Halls can obtain rate relief under the current system in direct proportion to the use of the facility for charitable or broad purposes, some respondents felt this should go further and sought full exemption from rates for 'community halls' owned by Orange and Hibernian Institutions. They argued that this was justified on the basis that halls provide an important service to the community. The Review of Rating Policy consultation helped to identify the main issues facing community halls and, arising from this, four proposals were put forward in the policy paper to address these issues. They are detailed below with a summary of responses to each issue.

Proposal: Fully exempt community halls from rates provided the properties are made available for use by the wider community

Background

32. In order to take account of some of the difficulties and concerns expressed in the 2002 consultation exercise the Government proposed to fully exempt halls from rates provided they are made available for use by the wider community for the same charitable purposes that apply under the existing legislation and do not have a liquor licence. Under the policy proposal exemption would not be automatic, rather it would be conditional upon confirmation that the above policy requirements were satisfied.

Consultation responses

33. Fifteen responses were received on this issue. Respondents included the Grand Orange Lodge of Ireland (GOLI), the Independent Loyal Orange Institution, Imperial Grand Lodge, the Provincial Grand Lodges of Antrim, Londonderry and Donegal, Armagh and Down, the DUP, one MLA, the Armagh and Down County Committees of the Gaelic Athletic Association, representatives from the voluntary sector, Coleraine Borough Council and the Upper Bann Institute. Eleven respondents were fully supportive of the policy proposal on the grounds that increasing rate and insurance costs were making survival difficult and that the outlined proposal would reverse this trend.

34. Of those that supported the policy proposal, at least half acknowledged the contribution that halls already make to community life, particularly in rural areas. Some respondents felt that the closure of such halls would result in a loss of vital community spirit, especially in rural areas. The Rural Community Network (RCN) stated that halls were 'a useful tool to support the wider use of facilities by communities'.

35. In terms of availability, four Masonic Lodges, the Grand Orange Lodge of Ireland (GOLI) and the County Committees of the Gaelic Athletic Association (GAA) for Down and Armagh stated that their halls were already used by the wider community. The GAA Committees put forward a proposal to exempt GAA Halls on the basis that these were made available for use by the wider community for recreational, social, cultural and community activities'. The Masonic Lodges stated that its halls were available irrespective of religious belief/creed or political opinion (an example of Irish dancing was given by one hall). One Masonic Lodge however acknowledged that, despite making its hall accessible to the wider community, it remained under utilised.

36. NICVA, Bryson House and attendees at the NICVA seminar expressed support for not making the exemption automatic. Contrary to this the DUP stated that automatic exemption should be provided for.

37. Furthermore some difficulties were expressed in relation to the term 'wider community.' Groups at the same workshop felt that it needed to be clarified in terms of its geographical connotations. GOLl also raised some problems about the term 'wider community' and felt that it required clarification. They were concerned that it could create an 'agitators charter' that would encourage certain political groupings to book a hall, 'knowing that it would be refused, and in a deliberate attempt to make ... a hall lose its rates relief under the proposed legislation".

Proposal: Exclude from exemption halls that have a liquor licence while ensuring that the small number of licensed halls that are currently in receipt of partial relief are not disadvantaged by the proposal in terms of any relief they currently receive

Background

38. Under the new proposals halls that have a liquor licence would be precluded from exemption on the basis that there is a capacity to generate income, which would assist with the payment of rates. To grant an exemption from rates would provide them with an unfair advantage over commercially run licensed properties. However, under this proposal, the small number of licensed halls currently in receipt of partial exemption would not be disadvantaged by the proposed changes.

Consultation responses

39. Of the seven organisations that responded to the policy proposal, only the Provincial Grand Lodge of Antrim supported the proposal in its present form. The remainder of respondents was generally against the proposal on the grounds that the sale of alcohol should be allowed in certain circumstances.

40. GOLl and the Provincial Grand Lodge of Londonderry and Donegal supported the use of occasional licences on the basis that they could be disregarded and treated as 'de minimis' (i.e. negligible). NICVA and some groups at the NICVA seminar also expressed support for temporary licences not precluding exemption. The Rural Community Network and some other groups at the NICVA seminar felt that the sale of alcohol should be allowed if the profits were re-invested in the charitable or social aims of the halls.

41. The Royal Institution of Chartered Surveyors was the only organisation to oppose the proposal on the grounds of inequity. They stated they could not support a proposal that allowed halls with existing liquor licences to retain partial exemption while other halls in similar circumstances would not be entitled to the exemption. The Institution stated it could not support a proposal that 'would result in ambiguity, inconsistency and inequality'.

Proposal: Simplify the present system for applying for exemption for halls

Background

42. The aim of the policy proposal was to address concerns over the complexity of the current arrangements, e.g. the requirement to keep detailed records of use. By simplifying the present application system, it was hoped that more halls would be encouraged to apply for exemption from rates.

Consultation responses

43. Nine organisations commented on this proposal. The Provincial Grand Lodge of Armagh, one MLA, Lisburn City Council and the DUP welcomed it on the grounds that the current system was too complex or that it would keep administration costs down.
44. While understanding the need for ongoing checks to confirm the availability of the hall, GOL, the Independent Loyal Orange Institution, Imperial Grand Lodge and one MLA felt that the amount of paperwork should be minimised.
45. NICVA, attendees at the NICVA seminar and Bryson House were concerned about the Government's intention to reduce the obligation on halls to keep detailed records of use. They believed that it raised possible implications in relation to monitoring and accountability. NICVA felt that the present system was not burdensome and that record keeping should form part of the organisation's day-to-day work. They added that it was necessary for compliance with other regulators such as insurance companies and the Health and Safety Executive and suggested that a standardised record-keeping template could be developed in conjunction with VLA and other interested parties.

Other issues in relation to community halls

46. GOL indicated that in some Protestant areas Orange Halls are used by credit unions for two or three hours per week. They expressed concern that such use could result in the exemption being removed, and requested that it should be

regarded as 'de minimis' (negligible) and therefore disregarded for the purpose of awarding rate exemption for halls.

47. The Upper Bann Institute queried if independent halls would receive relief for hosting further education programmes. The Institute argued that 'it would be anomalous to have an activity recognised for its charitable purposes but not the provider of the service'.

SUB-SECTION 2.4 - BODIES EXCLUDED FROM EXEMPTION

Proposal: Review the prescribed list of bodies that are currently excluded from exemption

Background

48. There are a number of bodies that could claim exemption from rates under the existing legislation⁶ but are prevented from doing so because they are specifically excluded from entitlement.
49. These bodies are excluded on the basis that a significant proportion of their income is derived from public funds. Normally central government grants to these bodies take account of property costs, including rates, and their grants are supplemented. In addition, this helps to maintain the district council base. A successful application for rate exemption is likely to be offset by a corresponding reduction in Government grant to make up for the loss of revenue to central government and district councils and to take account of the fact that the body concerned had lower running costs than previously.
50. However, the list of excluded bodies is neither updated regularly nor comprehensive. It is not surprising therefore that a number of anomalies have developed. These anomalies were highlighted in the 2002 consultation exercise, particularly in terms of the treatment of universities. Schedule 13 to the 1977 Order specifically lists the Queen's University of Belfast (QUB) and the University of Ulster (UU) as bodies excluded from exemption from the payment of rates. However on the other hand, a number of new educational establishments and universities are not covered by the current provisions and are subsequently eligible for exemption. For example, the Open University, which is registered as a charity with the Charity Commission, gains exemption for its properties in Northern Ireland. Other establishments such as St Mary's

⁶ Article 41 of the Rates (Northern Ireland) Order 1977

University College (but not Stranmillis University College) are exempt from rates on the basis of being educational establishments.

Consultation responses

51. Seven responses were received, in support of the proposal, to review the prescribed list of bodies that are currently excluded from exemption, namely QUB, UU, Upper Bann Institute of Further and Higher Education, Stranmillis University College, Belfast Institute of Further and Higher Education, the South Eastern Education and Library Board and one MLA.
52. QUB, UU, the Belfast Institute of Further and Higher Education and Stranmillis University College described the current system as inequitable given the differential treatment of a number of educational establishments and universities. QUB, UU and Stranmillis University College raised concerns about the lack of parity in the treatment of the education sector in Northern Ireland and Great Britain given that their counterparts received 80% mandatory exemption from rates and the possibility of receiving a further discretionary relief of up to a maximum of 20%.
53. The Upper Bann Institute of Further and Higher Education was also concerned about the lack of parity it had with the further education sector in Great Britain but welcomed the proposed review of Schedule 13 advocating the right of exemption and access to rate relief for this sector.
54. The South Eastern Education and Library Board were concerned at the lack of transparency with regard to the allocation for rates in their block grant. It also called for a consistent approach to be adopted towards the charging of rates across the public sector, suggesting that all such bodies should be exempt from paying them.

SUBSECTION 2.5 - SPORT AND RECREATIONAL RELIEF

55. Rate relief for sports and physical recreation is granted under existing rating legislation⁷ on the basis that it encourages physical recreation at an amateur level and therefore makes a significant contribution to health care. It provides for 65% rate relief on qualifying facilities (bars etc. are excluded). The clubs must not be conducted for profit, nor can they employ a playing professional.
56. In the rest of the United Kingdom, sporting organisations that are community amateur sports clubs (CASCs) or have charitable status are entitled to 80%

⁷ Article 31 of the Rates (Northern Ireland) Order 1977

mandatory relief. Local authorities have the power to grant a further discretionary relief of up to 20%. Non-CASCs are not eligible for the 80% mandatory relief and must apply to local authorities for discretionary relief which can be up to a maximum of 100% but is often much less.

Proposal: Bring Northern Ireland into line with Great Britain by increasing the level of mandatory relief available for all qualifying sports clubs from 65% to 80%.

Background

57. In Northern Ireland CASCs, if they are not entitled to charitable exemption, can only receive the maximum relief of 65%. If CASCs in Northern Ireland were to achieve parity with their counterparts in Great Britain then this would require the current level of 65% to be raised at least to the 80% mandatory relief allowed elsewhere in the United Kingdom. The proposal for Northern Ireland however is not to distinguish between CASC and non-CASCs for rating purposes.

Consultation responses

58. There were fourteen written responses on this issue which were generally supportive of the proposal to increase the level of relief from 65% to 80% for all qualifying sports clubs. Attendees at the House of Sport seminar welcomed the fact that CASCs and non-CASCs would benefit from the proposal. Waringstown Cricket Club stressed that the relief should not be restricted to CASCs given that the CASC route does not suit all clubs.

59. The main concern expressed at the House of Sport seminar and raised by eleven organisations in their formal responses was the perceived delay in implementing the policy proposal. It was felt that implementation in 2007 was unacceptable given that clubs in GB already obtain 80% relief. Attendees at the House of Sport event also felt that any increase in relief should be retrospectively paid.

60. The Northern Ireland Amateur Gymnastics Association also questioned why 100% relief was not already awarded given Northern Ireland's troubled past.

Proposal: Await the conclusion of the Review of Public Administration when the future of local government will be known before considering whether or not a discretionary element of rate relief (on top of the 80% proposed) should be made available for qualifying sports clubs.

Background

61. The Government would like to see local decisions made on any discretionary rate relief, taking account of local circumstances and need. This is likely to be best administered by local councils, as in Great Britain. However a Review of Public Administration is currently underway in Northern Ireland, the outcome of which will alter the present local government administrative structures and responsibilities. The proposal was, therefore, that consideration of the introduction of a discretionary element of rate relief (which would be on top of the 80% already proposed and may be funded by councils) should be deferred until those changes have taken place (expected to be 2009).

Consultation responses

62. There were twelve responses on this issue. While there was general support for the introduction of a 20% discretionary rate relief, the overriding concern was the delay in its introduction. There was no support for deferring this decision until the Review of Public Administration had concluded. Furthermore, it was thought that this would be extremely unfair to clubs. Similar views were also expressed at the House of Sport seminar.

63. There was a consensus that steps should be taken immediately to allow the introduction of the 20% discretionary relief by giving local authorities the necessary power to do so. The Northern Ireland Sports Forum, attendees at the House of Sport seminar, the Northern Ireland Federation of Sub-Aqua Clubs, the Northern Ireland Volleyball Association, the Ulster branch of the Irish Football Union and the Bann Rowing Club stressed the need to look at how Scotland had rapidly managed to progress change there. Attendees at the House of Sport seminar felt that a combination of financial difficulties and delays in introducing a 20% discretionary rate relief would disadvantage them compared to clubs in Great Britain. The Irish Bowling Association added that the discretionary element should be implemented at least to the same timescale as the up-rating of the mandatory element so as not to penalise sports clubs in relation to their counterparts in Great Britain.

64. The Northern Ireland Federation of Clubs were content with a mandatory 80% relief and thought it was unfair to ask for more.

Proposal: Review the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979

Background

65. A key issue concerning rate relief for sports organisations is that the activity must be for 'prescribed' recreational purposes, that is, conducted indoors or outdoors and requiring an appreciable degree of physical effort. Games that require a high degree of skill or contribute to intellectual development but require little physical effort do not generally qualify.
66. The list of specified recreations was compiled in 1979 after consultation with the Sports Council for Northern Ireland and the Association for Local Authorities in Northern Ireland but has not been reviewed since.
67. The purpose of reviewing the list of prescribed recreations would be to ensure that it is still relevant to sport in the 21st Century. Any addition to, or exclusion, from the list would be made through subordinate legislation.

Consultation responses

68. There were no strong views on the content of the list of prescribed recreations at the House of Sport seminar. However it was suggested that perhaps the list could be considered on a case-by-case basis. Some anomalies were pointed out in relation to the inclusion of darts and snooker/billiards/pool, which, it could be argued, do not require an appreciable degree of physical effort.
69. Only three written responses made specific reference to the proposal to review the list of prescribed recreations. In each case, respondents supported the proposal with two respondents making particular reference to their sport. The British Horse Society supported the proposal on the grounds that the coverage of equestrian activities is not comprehensive and that the range of equestrian activities should be more clearly defined within the list of prescribed recreations. The Ulster Federation of Rambling Clubs felt that the prescribed term 'rambling' should be replaced by 'recreational walking' as it more fairly represented the range of activity associated with rambling and hill-walking.
70. Strong views were expressed at the House of Sport seminar on the principle that a prescribed recreation should require an appreciable degree of physical effort. It was felt that the level of physical activity required for a sport to be included in

the prescribed list might disadvantage a person with a disability. The Northern Ireland Federation of Clubs, in their written response, supported the inclusion of sports that require a high degree of skill or contribute to intellectual development such as chess and bridge as they are more accessible to persons with a disability.

Proposal: Consider relaxing the restriction on the employment of professional player coaches

Background

71. Over the last ten years or more the dividing line between amateur and professional sports has become more blurred with a large number of cricket and rugby clubs now employing professional player coaches. However current legislation⁸ restricts the employment of professional player coaches.
72. Article 31 states that to qualify for rate relief a club must not employ any person to engage in any recreation for reward, except for the instruction of other persons engaged in the sport other than for reward. This restriction means that a professional coach who also plays for the club renders the club ineligible for rate relief. The only circumstances where this restriction might not apply are when the contract of employment is specifically for coaching and any playing activities are left to the goodwill of the player.
73. The rationale for not applying rate relief is twofold: first resources to pay someone to play a sport results in the Government contributing indirectly to someone's private income by redirecting the club's resources from Government to the individual. Secondly a club should be treated as a profit-making organisation if it employs professional coaches and players and should therefore be liable to rates.
74. However there are grounds for looking at the adequacy of the existing arrangements. For example it could be argued that clubs do not gain financially by employing a coach/player. The aim of employing a coach player may be to raise the standard of amateur sport, encourage more people to take part in the sport and raise the game to a more competitive level locally, nationally and internationally.

⁸ Article 31 of the Rates (Northern Ireland) Order 1977

Consultation responses

75. Strong support for relaxing the restriction on the employment of professional player coaches was expressed at the House of Sport seminar. The 'Drummond Case'⁹ was given as an example of how to overcome the restriction of using player/coaches.
76. There was general agreement at the seminar that at the crux of the matter was the need to define the term 'professional'. It was felt that the term was problematic given that some 'professionals' earn less than 'amateurs' when expenses were taken into consideration. It was suggested that a financial threshold could be applied to 'professionals.'
77. Only two written responses addressed the proposal. The Northern Ireland Federation of Clubs suggested permitting the employment of a small number of professionals, for example, a player, coach, trainer, manager or physiotherapist. The British Horse Society did not support the proposal. They argued that to extend payment to members to play a sport for a club could confuse the issue further between what is a commercial organisation and what is a CASC or charitable organisation.

Proposal: Examine the continuation of rate relief in circumstances where clubs earn substantial income from commercial interests

Background

78. Some amateur sports clubs can earn substantial income from commercial interests, retain a not-for-profit status and thereby qualify for rate relief under the current legislation. The policy consideration is whether the few clubs in this privileged position should continue to be entitled to rate relief.

Consultation responses

79. Three written responses were received on the proposal. The British Horse Society was supportive of it and argued that to continue with the current policy would place these clubs at a substantial advantage over commercial businesses providing a similar service.

⁹ A decision in favour of Drummond Cricket Club was taken in January 2003 by the Lands Tribunal of Northern Ireland. It allowed the restoration of rate relief in accordance with Article 31 based on a new agreement that allowed the employment of a coach that could also play if he did so as a member of the club on a personal and voluntary basis without reward.

80. On the other hand the Northern Ireland Federation of Clubs and the Irish Bowling Association contended that relief should continue to be awarded where income was earned from sponsorship. The Northern Ireland Federation of Clubs argued that sports clubs that benefited from lucrative sponsorship packages should not be penalised, providing such sponsorship is utilised to enhance the sporting and recreational facilities of the club, which in the majority of cases benefited the wider community. The Irish Bowling Association felt that a distinction should be made between modest income raised from sponsorship activities and the income that larger sports clubs could generate.

81. There was general consensus, among attendees at the House of Sport seminar, that if the profit was retained and used by a club, it should not be penalised by losing its entitlement to rate relief. In addition, there was a view that commercial activity within the sports sector should be encouraged rather than restricted. While there was a general opposition to distinguishing between 'rich' and 'poor' clubs, it was generally accepted that clubs should not benefit from rate relief where their commercial activity proceeds were not reinvested in the club. Additional suggestions were that a distinction should be made between 'insubstantial' and 'substantial' commercial income and that a review mechanism should be in place where clubs were thought to be making substantial profits.

Other issues in relation to sport and recreational relief

82. A number of groups at the House of Sport seminar and five formal responses proposed that bar areas should receive rate relief. The Irish Bowling Association and the Ulster Branch of the Irish Rugby Football Union stated that it is often a critical income stream. The Lisburn Racquets Club stated that, for them, it was a modest income stream. Despite their bar running at a loss, it was an important social asset to their sporting facilities. The Irish Bowling Association suggested that if a blanket exemption was not sustainable for bar areas, then facilities below a certain size should be eligible for relief.

83. The Armagh County Committee of the GAA felt that GAA registered social clubs (not for profit) should be eligible for rate relief. The Northern Ireland Federation of Clubs suggested that all areas of private member clubs, including bar areas, should enjoy, an appropriate reduction in rates, as they do not generate profit due to the 'principal of mutuality of trading'.

84. On a separate point, the Northern Ireland Federation of Clubs argued that all sports or recreational areas, should enjoy relief for the entire area, not just the dance floor, as dancers and their partners require seating between dances, similar to that which exists in snooker and darts rooms.

85. The Golfing Union of Ireland felt that governing bodies should be entitled to rate relief as they perform an important function for sporting organisations.

SUBSECTION 2.6 - THE SOCIAL ECONOMY SECTOR

Proposal: Defer consideration of the introduction of rate relief for the social economy

Background

86. The social economy sector is a fast growing sector in our society. It is active in a wide range of areas, from childcare and social housing to renewable energy and fair trade. The 'not for profit basis' ethos is at the heart of the social economy sector however many social economy enterprises do not have charitable status as their aim is to benefit members rather than the community as a whole. A considerable number of these organisations are constituted as companies limited by guarantee or industrial and provident societies. Generally speaking, social economy organisations tend to fall into a 'middle ground' that is neither 'charity' nor 'commercial business'. Consequently they are not exempt from rates.
87. A new legal structure is being established for social economy enterprises in Great Britain and Northern Ireland, namely a Community Interest Company (CIC). CICs will be required to have objectives that are in the public and community interest, but they would not be eligible to register as charities. In Great Britain and Northern Ireland, Government intends to support social economy enterprises through the national tax system and there are no plans at this time to introduce rate relief specifically for CICs in Great Britain.

Consultation responses

88. Six responses were received on this issue. All were in favour of supporting the social economy sector through rate relief, with the exception of CBI. It welcomed the Government's cautious approach stating it was important that small businesses were not undermined by unfair competition from the social economy sector.
89. NICVA and Bryson House proposed that social economy organisations, in general, should receive rate relief. The Ulster Federation of Credit Unions and the Irish League of Credit Unions were of the view that rate relief should be given to credit unions. The Ulster Federation of Credit Unions echoed this view

and stated that this would assist in supporting the community in general and also the social economy.

90. NICVA qualified its support for exempting the social economy sector by proposing that exemptions could be based on income thresholds. For example, enterprises with incomes under £250,000 could be exempted from rates while those under £500,000 could get partial relief. NICVA also suggested that allowances should be made for social economy projects with high turnover but low profits. Similar issues were raised at the NICVA seminar with groups generally supporting this approach to the sector.
91. NICVA also argued that charitable and other voluntary and community organisations were being encouraged to initiate social economy projects for the purposes of income generation and future changes in rating policy should take account of this. Bryson House echoed this view. They stated that the Government had encouraged the development of the sector as both a means of tackling social need and income generation to support activities that were charitable but not fully resourced.
92. The Eastern Health and Social Services Board acknowledged the need for Government to await the outcome of the review by the Department of Enterprise, Trade and Investment (DETI) but requested early consideration of the introduction of rate relief for health care providers in the social economy sector.

SECTION 3

THE GOVERNMENT'S RESPONSE

93. The Government has considered carefully the views expressed during this consultation and found these to be both helpful and informative in terms of finalising policy for this important area of reform. This section aims to take account of the opinions that were expressed, address concerns raised and also clarify any policy misunderstandings. It also sets out the Government's way forward for those policy areas under consideration.

SECTION 3.1- CHURCHES AND RELATED BUILDINGS

94. The Government considers that no change is necessary in relation to the existing level of exemption for places of public worship and ancillary buildings. It notes that one written response was received on the issue expressing full support for the proposal and that no objections to it were received.

95. Minister's houses that are owned by the relevant church organisation are entitled to 50% exemption from rates (subject to conditions on the use of the property). The Government is conscious however that the pattern of churches providing living accommodation for full-time ministers and other similar clergy has changed significantly in recent years and today it is more common for them to carry out official church business from their own home than it would have been when the legislation was first introduced.

96. It notes that one written response was received on the issue expressing full support for the proposal and that no objections to it were received.

97. Given these factors the Government has decided to implement its policy proposal and extend relief to full-time ministers and other similar clergy in circumstances where they carry out pastoral duties from a main domestic residence that they own. The house will be 50% exempt from rates. Rate relief however will not be granted where these duties are substantially conducted from elsewhere, e.g. a church office.

98. In response to a point raised during the consultation, the Government would like to clarify that there is no intention to further extend the exemption to other persons such as part-time clergy, deacons, deaconesses or those who are employed by a church in any capacity, pastoral or otherwise. This is because the intention of the policy is to ensure equitable treatment for full-time ministers

and other similar clergy carrying out pastoral duties from home with those who carry out these duties from church owned property.

SUBSECTION 3.2 - CHARITABLE ISSUES

Charities

99. On the issue of retaining charitable exemptions, it is noted that there was general support from the organisations that responded. In light of this, the Government has decided not to make any changes to the main existing charitable exemptions contained in the existing legislation.
100. The Government will also follow developments arising from the Review of Charities Administration and Legislation in Northern Ireland that is currently being undertaken by DSD. This is a wide-ranging review that may affect the status of some organisations and their treatment for rating purposes. However the changes that are being taken forward as part of the Review of Rating Policy, and which are set out in the consultation report, will not affect the charitable status of any organisation and can therefore be progressed outside the DSD Review.
101. Concerns were raised at the NICVA seminar that the commercial fundraising activities of charities, should not preclude organisations from charitable exemption. To clarify this point, fundraising in itself may not be regarded as a charitable activity and, in order for it to be recognised as such, the activity must directly facilitate the aims of the charity. In other words, the income derived from the fundraising must be associated clearly with the charitable purpose.

Quasi Charities

102. Respondents were generally content with the present system under which 'not for profit' organisations are provided with exemption from rates. In light of this, the Government does not propose any change to charitable exemptions for 'quasi charities' or recreational charities.
103. The Government has noted the suggestion from NICVA that greater clarification was needed with regard to the definition of quasi or recreational charity. It also acknowledges that this is a complex area but would clarify that issues of definition were beyond the scope of the Government proposals in the policy paper. They are however being addressed in the wider DSD Review of Charities Administration and Legislation. Any extension of charitable status as a result of this will generally be reflected in the charitable exemptions and reliefs provided for under rating legislation.

104. In response to one suggestion that the current legislation should be amended to allow individual artists or groups of artists exemption from rates regardless of whether the body has charitable status or not, the Government has noted that the existing legislation¹⁰ widens the definition of charitable purposes to organisations whose main objects are concerned with science, literature or the fine arts. Fundamental determinants for rating exemption and relief are that the building must be occupied by a charity or, in the case of fine arts, a quasi charity and used for charitable purposes. Any use for profit is non-exempt unless it directly facilitates the charitable ends of the body. The Government has no plans to change these fundamental principles of rating exemption and relief.

Charity shops

105. There was general support for retaining the current system. The Government therefore does not propose to make any fundamental changes to the current legislation relating to the rate relief for charity shops.

106. Of those that responded, there was almost unanimous support for exempting charity shops to the extent that they sell 'fair trade' goods but general disagreement on the need to await the outcome of the DSD Review. NICVA and War on Want questioned the need to await the conclusion of this Review given that the treatment of fair trade goods is not overtly covered by it. It should be noted however that while the promotion of fair trade is now regarded as a charitable activity in England and Wales, no exemption from rates is provided where fair trade goods are sold in charity shops. To make provision for this in Northern Ireland would result in a different treatment between charity shops and other retailers. However given the support for this policy change, the Government has decided that provision should be made in rating legislation for an enabling power that would readily allow a future Northern Ireland Assembly to exempt charity shops to the extent that they sell fair trade goods in addition to donated goods.

SUBSECTION 3.3 – COMMUNITY HALLS

107. A key policy aim included in the policy paper is to further encourage the use of halls for wider community purposes. The Government both acknowledges and welcomes the fact that some halls are already making their premises available to the wider community. However, concern remains that the take-up of this exemption is low in comparison to the extent to which halls are actually used by the wider community.

¹⁰ Article 41(2)(d) of the Rates (Northern Ireland) Order 1977

108. It is noted that there was general support among respondents for fully exempting halls that are made available for use by the wider community. Given this, and in recognition of the contribution that many halls already make to the wider community (particularly in rural areas), and also the fact that the vast majority of halls are not used as intensively as any other types of non-domestic property (and therefore rates, along with costs of upkeep, can present a disproportionate burden on the organisations concerned) the Government has decided to implement its policy proposal i.e. to fully exempt community halls from rates providing that they are made available for the same charitable purposes as under the current legislation,¹¹ do not have a liquor licence and are not a registered club.
109. This policy will address the concerns of halls fearful of closure due to an inability to meet increasing rate and insurance costs.
110. The Grand Orange Lodge of Ireland (GOLI) raised a concern about the use of the term 'wider community' and felt that it required clarification. In response to this, it should be noted that the policy proposal is to fully exempt halls from rates providing that they are made available for use for the same charitable purposes or broad community purposes, as is currently the case. The principle change is the move from a system of 'partial' to 'full' exemption.
111. There was a body of opinion that indicated that there was a clear need for a definition of the term 'community hall'. In response to this point, it is the Government's intention to specify in the legislation those halls that will be eligible for the new full exemption for community halls. For example, the list will include organisations such as the Orange Order, the Ancient Order of Hibernians and the Masonic Order. This is not an exhaustive list but gives an indication of the type of organisation involved.
112. It is the Government's intention that organisations that would either satisfy the conditions for sport and recreational relief under the current legislation¹² or are other recreational clubs such as bridge, chess etc. will not be entitled to the full exemption that will be made available for community halls. For example, GAA clubs that responded considered that their premises should be fully exempt on the grounds that they were made available to the wider community. However the GAA is an amateur sporting organisation and covers Gaelic football, hurling, camogie, handball and rounders. Each of these sports is listed under rating legislation as a prescribed recreation and as such would not qualify for the full exemption that is being made available for community halls. Qualifying

¹¹ The Recreational Charities Act (Northern Ireland) 1958

¹² Article 31(2) of the Rates (Northern Ireland) Order 1977

sports organisations will benefit from an increase in rate relief from the current 65% to 80%.

113. GOLI raised an issue regarding the use of halls by credit unions. In many areas credit unions avail of Orange Halls for two to three hours per week. However there is concern that this use could affect entitlement to full exemption. In response to this concern, it is considered unlikely that such small degree of occasional use by credit unions would alter the position where the criteria for exemption was otherwise satisfied.
114. To ensure accessibility for wider community purposes, the Government intends to mirror the existing provision relating to defraying reasonable expenses actually incurred to ensure that organisations receiving the proposed full exemption cannot impose prohibitive costs on those who apply to use their halls.
115. The other main aspect of this policy proposal is to exclude from full exemption halls that have a permanent liquor licence or where they are a registered club. This is on the basis that they have a capacity to generate income to assist with the payment of rates and to grant an exemption would give them an unfair advantage over licensed properties run by private businesses. It is envisaged however that occasional licences will fall within the scope of the exemption.
116. It is intended that halls that are currently in receipt of partial exemption under the existing system and would not meet the criteria for full exemption, e.g. they have a permanent liquor licence, would not be disadvantaged by these changes in terms of any exemption that they currently receive.
117. It was noted that there were differing opinions on whether exemption should be tested or made automatic. The DUP's preference was for automatic exemption. However voluntary sector respondents opposed this view and supported a system that was tested.
118. In response to these views, the Government is not in favour of an automatic exemption on the basis that it would remove the incentive to provide such community facilities.
119. The consultation highlighted general support to simplify the present system for applying for exemption for halls. Respondents highlighted the complexity of the current system of reporting. To overcome the difficulties identified the Government has decided to move from the current system of 'use' to one based on 'intended use'. Some form of confirmation that the hall is being made available for wider community purposes will be required e.g. this could be by local advertising in newspapers, shop windows or websites etc. It is envisaged

that this policy change will reduce the current burden on halls to keep detailed records of use.

120. The voluntary sector respondents raised concerns that to reduce the requirement on halls to keep detailed records would lessen the hall's accountability and reduce the level of monitoring by Government. In response to this concern, the intention of the proposal is not to reduce accountability but to simplify the system. It has been reported that that existing system, with its complex record of use, is disproportionate to the benefits gained. It is believed that the new system, while placing a requirement on halls to provide evidence to demonstrate what steps they have taken to make their premises available for use for the wider community benefit, will at the same time address the current imbalance in the reporting system. Furthermore it is envisaged that the new system will improve the level of take-up for rate relief by halls generally.

SUBSECTION 3.4 – BODIES EXCLUDED FROM EXEMPTION

121. The Government has noted the support for reviewing the list of bodies excluded from exemption. In response to this, it will consider whether bodies currently excluded from exemption should continue to be excluded and if any additions to the list are necessary. Due to the complexity of the area, further research and analysis is required prior to making any decisions on changing the list of excluded bodies. However it is important to note that were a decision to be taken to remove a body from Schedule 13 to the 1977 Order there would be consequences for public finances and possible implications for the way the bodies themselves are funded.
122. Furthermore the Government acknowledges the concerns of respondents in terms of creating uniformity across the educational sector in Northern Ireland and the rest of the United Kingdom. It is clear that there are significant anomalies in the current system, which has come to light through the consultation process. The focus of future reforms will be to ensure that the current inequities are removed so that some organisations are not disadvantaged compared to others. If reform is considered necessary, changes can be made relatively easily through subordinate legislation and therefore the issue can be dealt with separately from the other reforms.

SUBSECTION 3.5 – SPORT AND RECREATIONAL RELIEF

Level of relief to qualifying sports

123. The existing system in Northern Ireland for sport and recreational rate relief is broader than that in the rest of the United Kingdom however the actual level of relief available is less in Northern Ireland. The Government will bring Northern Ireland into line with the rest of the United Kingdom by increasing the level of relief available for all qualifying sports clubs from 65% to 80%. The increase will benefit both CASCs and non-CASCs in Northern Ireland. This places qualifying sports clubs in Northern Ireland at an advantage to their counterparts in the rest of the United Kingdom. Sporting clubs in Great Britain only receive the mandatory 80% relief if they are registered as CASCs or have charitable status. Non-CASCs must apply to local authorities for discretionary relief - this can be up to a maximum of 100% but is often much less.
124. In recognising that the CASC or charitable route does not suit all clubs, the policy intention in Northern Ireland is to provide an equitable playing field to all qualifying clubs in terms of rate relief regardless of their CASC or charitable status. The Government believes that this is a separate matter for clubs and should not impinge on their eligibility for rate relief.
125. The Government acknowledges that the policy paper did not address the timescale for the introduction of the 80% relief. This was one of the two main areas of concern expressed by respondents, given that 80% mandatory relief was already in operation in the rest of the United Kingdom for CASCs and for sports clubs with charitable status. In acknowledgement of these valid concerns, the Government intends to bring forward this proposal as soon as possible in legislation planned to come into operation in April 2006.
126. The second area of concern was the delay in considering the introduction of the availability of an additional discretionary exemption up to 20% for qualifying sports clubs, which would be funded by councils, until the outcome of the Review of Public Administration is implemented in 2009. This is a complex area and there are a number of factors that need to be addressed in considering this proposal further. There is likely to be an issue around local authorities making decisions affecting the regional rate revenues.
127. Any discretionary scheme will need to be administered and would require a set of guidelines. Such guidelines may have to take account of a club's ability to pay the discretionary element, bearing in mind that a minority of clubs benefit from commercial income.

128. Finally while recognising that legislative provisions are in operation in England and Wales and by voluntary agreement in Scotland that enable the provision of the 20% discretionary element by local authorities, the Government considers it prudent not to proceed at present with this aspect of sport and recreational relief. This is due to the different local government funding arrangements that exist in Northern Ireland and Great Britain and the major reform of local authorities that is intended to be implemented in 2009.
129. On a separate matter, a number of respondents proposed that bar areas should be entitled to rate relief on the basis that it is a critical income stream. However the Government is of the view that that these areas enable clubs to generate income to assist with the payment of rates and to grant an exemption would give them an unfair advantage over licensed properties. Accordingly it has decided not to grant rate relief to bar areas of qualifying sports clubs.
130. In response to the GAA proposal that registered social clubs, run on a not for profit basis, should be eligible for rate relief. The Government wishes to confirm that there are no plans to extend relief to clubs unless they qualify under the current legislation¹³ on the basis that they encourage physical recreation at an amateur level and make a significant contribution to health care. The Government considers the rationale, as recommended by the Lawrence Report in 1977,¹⁴ is still as strong today as it was then. As noted earlier, this view was endorsed by five organisations. It follows that this principle also excludes from relief sporting headquarters that perform an administrative function.

Review the list of prescribed recreations

131. The Government intends to review the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979 following further consultation with the Northern Ireland Sports Council and other appropriate bodies. Any addition or exclusion from the list of prescribed recreations will be carried out through subordinate legislation.
132. Attendees at the House of Sport Seminar agreed that further investigation was necessary in this area. As part of its deliberations the Government will need to consider if an appreciable degree of physical effort is still a sound principle for qualifying sports. Attendees at the House of Sport Event were concerned that the level of physical activity required for a sport to be included in the prescribed list may disadvantage a person with disabilities. The potential adverse impact on a person with disabilities was also highlighted in the final IIA.

¹³ Article 31 of the Rates (Northern Ireland) Order 1977

¹⁴ The Lawrence Report details the last review dealing with exemption and rate relief. The review, held in 1976, took place under the Chairmanship of Professor R J Lawrence. Many of Lawrence's recommendations are embodied in the Rates (Northern Ireland) Order 1977.

Professional player coaches

133. The Government notes the points raised at the House of Sport Seminar and acknowledges the high level of support for relaxing the restriction on the employment of professional player coaches. The 'Drummond Case'¹⁵ was quoted as a precedent for taking this issue forward. However the consultation highlighted some difficulties associated with implementing such a measure. For example the term 'professional' may require a definition in legislation that would deal with the complexities of the different contractual arrangements that exist between players and clubs, particularly as the dividing line between amateur and professional becomes more blurred. Even when the contract of employment seems straightforward the issue of remuneration may not be. There are examples where players may have contracts of employment with nil salaries but paid substantial expenses. It is for this reason, that the Government regards it as prudent to consider these and other issues in greater depth before deciding whether to relax the restriction on the employment of professional player coaches.

Ability to pay

134. The policy paper sought views on whether relief should be given to all amateur sports organisations regardless of ability to pay or should clubs in those (few) sports that are able to generate significant income or attract commercial funding be excluded from the higher level of relief. The consultation was unsuccessful in eliciting evidence on this particular subject. However attendees at the House of Sport seminar were largely opposed to making distinctions between 'rich' and 'poor' clubs. The Government considers that to differentiate between clubs would be difficult and administratively cumbersome, both from an assessment point of view and in terms of putting a disproportionate burden on the clubs themselves in providing information on commercial activities. It does, however, consider that there may be merit in putting some commercial criteria into any discretionary scheme that may emerge following any future reorganisation of local government in Northern Ireland, the outcome of which is anticipated in 2009; as it is reasonable to assume that any discretionary scheme would require individual organisations to apply for extra relief.

¹⁵ A decision in favour of Drummond Cricket Club was taken in January 2003 by the Lands Tribunal of Northern Ireland. It allowed the restoration of rate relief in accordance with Article 31 based on a new agreement that allowed the employment of a coach that could also play if he did so as a member of the club on a personal and voluntary basis without reward.

SUBSECTION 3.6 – THE SOCIAL ECONOMY SECTOR

135. In deciding how to progress this policy proposal the Government has taken into account the following factors:
- Five of the six organisations responding on the issue of the social economy were in favour of providing rate relief to this sector.
 - Many social economy organisations are in competition with small businesses.
 - A new legal structure is being established for social economy enterprises in Great Britain and Northern Ireland, namely the Community Interest Company (CIC).
 - In Great Britain the Government intends to support social economy enterprises through the national tax system and at present there are no plans to give rate relief to them.
136. The Government notes the support for providing rate relief to the social economy sector. The policy proposal was to defer consideration of rate relief for this sector pending further investigation. This has shown that in Great Britain the Government supports this developing sector through the national tax system and there are no plans at this time to supplement this by giving rate relief.
137. These investigations also revealed that the social economy sector is a diverse sector and that there are difficult issues around defining what is social economy and what is private enterprise. Notwithstanding these difficulties, there may be merit in providing relief to such organisations in the future, particularly in view of requirements to align with policy elsewhere, in terms of wider economic and social strategy both locally or in Great Britain.
138. It is therefore the Government's view that rate relief should not be made available at this time. However it will be kept under review pending further developments either in Great Britain or in policy areas in Northern Ireland.

NEXT STEPS

139. The Government has considered the responses to the consultation exercise and has set out earlier in this section how it intends to proceed with reform for the non-profit making sector. Legislation will be drafted to give effect to those policy areas where change is necessary. In the case of sport and recreational

relief and full exemption for community halls the aim is to introduce this in April 2006. Draft legislation to give effect to this will be published for consultation in the near future.

140. Further legislation is intended for 2007 to implement to the remainder of the policy measures detailed above. The legislation will include an enabling power to allow a future Northern Ireland Assembly to readily increase the level of relief available to charity shops that sell fair trade goods in addition to donated goods. The extension of partial relief to houses owned by full-time minister of religion and other similar clergy is also intended for inclusion in this legislation.
141. Finally, as indicated earlier in Section 3, further research and analysis will be carried out on a number of issues, including certain aspects of sport and recreational relief, the social economy sector and consideration of whether bodies such as universities and other educational establishments should be exempted from rates.

SECTION 4

CHARITABLE EXEMPTIONS AND RELIEFS - FINAL SUMMARY OF IMPACT ASSESSMENTS

What is impact assessment?

142. It is important, when bringing forward policy proposals on specific issues, that the opportunity is taken to stand back and ensure that emerging proposals do not have any unexpected or unacceptable impacts, or which conflict with other aspects of Government policy. To assist in this process, studies, generally referred to as impact assessments, are performed on policy proposals as they are developed. These seek to identify for policy makers the expected impacts of emerging policy options on groups or individuals. For example, people of differing community background, those living in disadvantaged areas, rural areas etc.
143. To assist in this process, the Office of the First Minister and the Deputy First Minister has developed an Integrated Impact Assessment (IIA) methodology for use by the various Northern Ireland departments. IIAs are designed to assess the potential impact of a policy change and so help produce better policies. Where a policy is found to have a substantial adverse impact on any group or individual, consideration must be given to the scope for the policy to be adjusted to mitigate or lessen the impact before it is implemented. It is therefore important that such impact assessments are performed throughout the policy development stages so as to influence and shape the final outcomes.
144. The final IIA¹⁶ is published separately but should be read in conjunction with this report. It combines the analysis produced for the initial IIA (published in February 2005) and the consultation responses in order to determine what mitigating measures, if any, are required. This summary is intended to provide a brief overview of the process and its outcome.

Initial assessment of impacts

145. The initial IIA was published on 28 February 2005 and it contained analysis on: other charities (including charity offices, churches and related buildings, local government properties, clubs and social economy properties); charity shops; community halls and sport and recreation facilities.

¹⁶ The IIA is available on the Review of Rating Policy website at www.nics.gov.uk/ratingpolicy

Consultation

146. It was subject to a 16 week consultation period from 28 February 2005 to 17 June 2005. During that period 433 copies of the policy paper were distributed and there were 2,079 downloads of the Initial IIA from the Rating Policy Website. The consultation provided an opportunity for the public and stakeholder groups to verify or challenge the conclusions reached and submit evidence.
147. The consultation process generally supported the outcomes of the analysis produced in the initial IIA. There was no evidence produced of other adverse impact and no views were expressed that would lead the government to significantly adjust the policy proposals or introduce mitigating measures.
148. Changes are proposed for the treatment of:
- Church related houses
 - Community halls
 - Amateur sport and recreation club properties

Church related houses

149. The Government wishes to extend rate relief to full-time ministers and clergymen in circumstances where they carry out pastoral duties from a house that they currently own.
150. Impact summary:
- Individual clergy who qualify for relief will benefit most from the policy proposal by gaining 50% reduction in their rate bills. Indications are that this will affect less than 250 domestic ratepayers in Northern Ireland. It is estimated that this is likely to amount to £350,000 in terms of revenue forgone;
 - The additional cost to other ratepayers in terms of increased rate bills would not be significant, and indeed, may not even be measurable;
 - The benefits of providing equal treatment for ministers of religion are considered to outweigh the costs;
 - The policy is likely to benefit the independent church sector. The more mainstream churches tend to own the church house and these already benefit from partial exemption;

- The New TSN and rural impact cannot be assessed at present due to unavailability of address information but it is not expected to be negative.

Community Halls

151. The Government has decided to grant halls that make their premises available for wider community use full exemption from rates.

152. Impact summary:

The cost of increasing the rate relief to 100% is estimated to be an additional £1.9m of revenue foregone and the benefit is likely to be increased usage of the halls;

- Most of the halls likely to benefit are Orange Halls and therefore the Protestant community may gain most directly from this measure, though wider use of such facilities should benefit all;
- There is little correlation between the number of halls and areas of deprivation. The current rate relief system gives relief to a greater proportion of halls in the most deprived areas. However, more relief is given to those halls that are less deprived. Increasing the rate relief to 100% should benefit halls in deprived areas at least as much as in other areas;

There are more rural halls receiving rate relief but a greater amount of rate relief is given per hall to urban halls. Increasing the rate relief to 100% is likely to benefit both rural and urban halls.

Sport and recreation

153. The Government has decided to increase relief for amateur sport and recreational facilities from 65% (currently) to 80%, consistent with the mandatory element of relief in Great Britain.

154. Impact summary:

- In overall terms the benefits (encouraging amateur sport with associated health benefits) are likely to outweigh the costs (loss of revenue – estimated at an additional £0.5million - to Northern Ireland or slightly higher non-domestic rates);
- There is little relationship between the location of sport and recreational facilities and areas of deprivation and participation is biased towards higher income groups. However, there is strong evidence that disadvantaged

areas derive particular benefit from involvement in sport and recreation activities;

- The initial equality assessment points to greater participation in active sport from some groups, such as men and younger persons but in providing a modest incentive for the growth of amateur sport and recreation there is every likelihood that accessibility for all groups will be increased;
- The positive effect of this measure in rural areas is expected to match that in urban areas.

155. The reform measures considered in this consultation report are intended to encourage activities that are community based and for public benefit. They are intended to foster greater community spirit and ease the financial burden on many community-based organisations in Northern Ireland. The Government is required, however, to keep the effectiveness of policies under review and monitor the impact of the proposed changes (both generally and specifically in relation to Section 75 groups, areas of deprivation, rural areas, and the business sector).

156. Consideration will be given to whether further impact assessments are required three years after these measures have been introduced, that is 2009 in relation to community halls exemption and the increase in sport and recreational relief and 2010 in terms of provisions for minister's houses. If monitoring and evaluation show that the policy results in greater adverse impact than predicted, or if opportunities arise which would allow for greater equality of opportunity to be promoted, the Government will ensure that the policy is reviewed and if necessary changed.

ANNEX A

LIST OF ATTENDEES AT THE SEMINAR HELD AT NICVA

9 MAY 2005

NAME:	ORGANISATION
Eamon McKee	Action Cancer
Terence Wells	Ashton Centre Development Ltd
Margaret Cameron	Bees Nees Early Years Centre
Rosemary Reid	Bees Nees Early Years Centre
Genevieve Lennon	Belfast Interface Project
Kate Muldoon	Community Arts Forum
Heather Pollock	Groundwork NI
Louise Purdy	Newington Day Centre
Joanne Larkin	New Life
Denise McCann	NICVA
Paula Reynolds	NICVA
Paul McGill	NICVA
Elizabeth Kennedy	ReConnect
Michael Fenton	Shelter NI
Janeen Tully	Sustainable NI
Stephen Boswell	War on Want NI
Linda McClelland	War on Want NI

LIST OF ORGANISATIONS THAT ATTENDED THE SEMINAR ON SPORT
AND RECREATIONAL RELIEF HELD AT THE HOUSE OF SPORT
17 MAY 2005

ORGANISATION	ORGANISATION
Ards Football Club	Lisburn Cricket Club
Ballyclare Comrades Football Club	Lisburn Racquets Club
Ballywalter Bowling Club	Lisnagarvey Hockey Club
Bangor Football Club	Mossley Hockey Club
British Horse Society	Muckamore Cricket Club
Comber Rifle Club	Northern Ireland Federation of Clubs
Derraghly Cricket Club	Northern Ireland Private Greens
Downshire Rifle Club	Northern Ireland Sports Forum
Gaelic Athletic Association	North West Cricket Union
Glenavon Football Club	Northern Cricket Union
Glentoran Football Club	Shooting Federation
Golfing Union of Ireland	Ulster Angling Association
Irish Bowling Association	Ulster Branch– Irish Rugby Football Union
Irish Football Association	Ulster Table Tennis
Larne Football Club	Ulster Tennis
Limavady Cricket Club/Rugby Football Club	Yoga Fellowship Northern Ireland

ANNEX B

LIST OF WRITTEN RESPONDENTS

A total of 47 written submissions were received in response to the consultation paper. The list of respondents is as follows:

ORGANISATION	ORGANISATION
Aghaderg GFC/ Ballyvarley HC	Masonic – Grand Lodge of Londonderry / Donegal
Armagh County Committee – GAA	Mr B. Armstrong MLA
Association of Charity Shops	Mr Q.Oliver (on behalf of Ms R. Duffy)
Bann Rowing Club	N.I. Amateur Gymnastics Association
Belfast Institute of Higher Education	N.I. Federation of Sub Aqua Clubs
British Horse Society Ireland	N.I. Volleyball Association
Bryson House	N.I. Federation of Clubs
Carrickfergus Golf Club	N.I. Sports Forum
CBI	NICVA
Coleraine Borough Council	Queens University of Belfast
Democratic Unionist Party	Royal Institute of Chartered Surveyors (RICS)
Disability Action	Rural Community Network N.I.
Eastern Health & Social Services Board	South Eastern Education & Library Board
Equality Commission	Simon Community
Grand Orange Lodge of Ireland	Stranmillis University College
Independent Loyal Orange Institution	The Down County Committee - GAA
Irish Bowling Association	Ulster Branch - IRFU
Irish League of Credit Unions	Ulster Federation of Credit Unions
Lisburn City Council	Ulster Federation of Rambling Clubs
Lisburn Racquets Club	University of Ulster
Macmillan Cancer Relief	Upper Bann Institute of Higher Education
Masonic – Grand Lodge of Antrim	War on Want
Masonic – Grand Lodge of Armagh	Waringstown Cricket Club
Masonic – Grand Lodge of Down	

ANNEX C

GLOSSARY OF TERMS

Apportioned	Hereditament is divided up according to usage (of importance where there is exempt and non-exempt usage of the same property)
Discretionary relief	Proposal where a District Council would have the power whether or not to grant relief up to a prescribed level.
Fair Trade	Trading partnerships that are based on a reciprocal benefits and mutual respect; that prices paid to producers reflect the work they do; that workers have the right to organise; that national health, safety, and wage laws are enforced; and that products are environmentally sustainable.
Hereditament	A property that is, or may become, liable to a rate and which is shown as a separate item in the Valuation List.
Mandatory Relief	Proposal where the Department of Finance and Personnel provides rate relief under the 1977 Order and which is given to all hereditaments within a specified usage.
Not for profit	Formed for the purpose of serving public or mutual benefit other than the pursuit or accumulation of profits.
'Quasi' Charity	A 'not for profit' organisation whose main objects must be charitable or concerned with science, literature or the fine arts, for example, not forprofit museums and heritage centres.