



REVIEW OF RATING POLICY

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

A POLICY PAPER

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Department of
**Finance and
Personnel**

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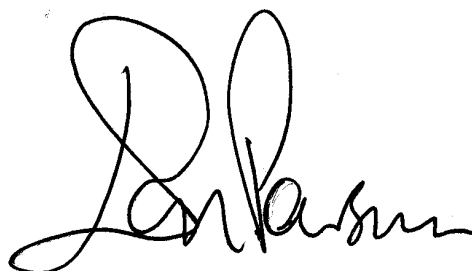
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FOREWORD BY IAN PEARSON MP
Parliamentary Under- Secretary of State

The exemption of charities from rates dates back to the late eighteenth and mid nineteenth centuries and individual legislative provisions and case law have shaped the application of the law from then until today. A wide range of reliefs, exemptions and exclusions for particular users of non-domestic property has developed over the years and been incorporated within rating legislation. Most of this development has been piecemeal but all of it has been directed to providing assistance to particular disadvantaged groups, individuals or worthy causes.

Views were invited on the issue of charitable reliefs during the main public consultation exercise in 2002 on the Review of Rating Policy and most responses broadly supported the retention of the main reliefs. In addition the consultation helped identify some potential areas for reform and views were expressed in favour of changing the existing provisions on charity shops, universities, sport and recreational properties and community halls. Although there were varying views on the need for and the degree of change, there was general agreement that any reform of the existing exemptions or relief from rate liability should be consistent with government policy aims and should complement other support measures.

This Policy Paper is an opportunity for all interested parties to express views on the Government's proposals in a number of important areas of rating policy and legislation and to contribute to the policy decision process on the future treatment of these issues.

A handwritten signature in black ink, appearing to read 'Ian Pearson', with a stylized, cursive script.

IAN PEARSON MP

EXECUTIVE SUMMARY

Background

It is estimated that in Northern Ireland, charitable exemptions and other forms of rate relief amount to some £46m annually in revenue foregone.

The Review of Rating Policy that took place from May to October 2002 indicated that there was broad support for the retention of rate relief for 'deserving' organisations.

The legislation providing for these exemptions and reliefs is the Rates (Northern Ireland) Order 1977¹ (the 1977 Order).

Article 31 of the 1977 Order (see Annex 1) provides for a 65% rate reduction to properties used for certain specified sports and recreations. Article 41 of the same Order (see Annex 2) provides for full or partial exemption for:

- property occupied for public purposes;
- churches, church halls, church houses etc;
- property occupied by a charity and used for charitable purposes;
- non-profit making bodies concerned with science, literature and the fine arts;
- and
- property used for purposes declared to be charitable under the Recreational Charities Act (Northern Ireland) 1958.

Churches and Related Buildings

Under Article 41 churches (and ancillary buildings such as church halls) are wholly exempt from rates. A house owned by a church and occupied by a minister of that church is 50% exempt. However, it is becoming increasingly common for ministers to provide their own accommodation and in this situation no relief is allowed. It has been suggested that relief should apply in these circumstances so long as the minister remains in the employment of the church, i.e. relief would not be available to retired ministers.

The Government accepts that the pattern of churches providing living accommodation for ministers and clergymen has changed over a significant number of years in that today ministers are much more likely to own and carry out official

¹ S.I. 1977 No. 2157 (N.I. 28)

church business from their own home. It therefore proposes to extend rate relief to full time ministers and clergymen in circumstances where they carry out pastoral duties from a main domestic residence that they currently own. Rate relief would however not be granted where these duties are substantially conducted from elsewhere, e.g. a church office.

Charitable exemptions and reliefs

General

No major issues were raised in the original Review of Rating Policy Consultation in 2002 on charitable exemptions. Respondents generally were content with the present system and the Government therefore does not propose any change to the main charitable exemptions.

'Quasi' charities

In addition no issues were raised in the Review of Rating Policy Consultation in relation to 'quasi', i.e. not for profit' organisations whose main objects must be charitable or concerned with science, literature or the fine arts, for example, not for profit museums and heritage centres, or recreational charities and the Government does not propose to make any change in this area at this time.

Charity Shops

Charity shops are exempt from rates to the extent that they trade in donated goods. New goods, including fair trade goods that have been purchased by a charity for resale in its shops, do not currently attract relief. Nowadays charity shops are often to be found in prime 'high street' locations and a common complaint is that they offer unfair competition to local traders particularly where they are selling new goods.

The Government has reviewed the system and does not propose to make any changes to the current legislation relating to the rate relief system for charity shops. In relation to the question of the treatment of 'fair trade goods', the Government proposes to await the outcome of the review of charities legislation in Northern Ireland that is being conducted by the Department for Social Development.

Halls

Orange and Hibernian halls and halls occupied by similar bodies do not qualify for exemption from rates in their own right because the occupying body is not a charity. However, such halls may gain partial relief if they are used from time to time for purposes, such as use as a village hall, community hall, youth or retirement club or for certain recreational purposes etc, that would qualify in its own right for exemption under Article 41 of the 1977 Order. The degree of relief given is in direct proportion to the amount of time the hall is used for a qualifying purpose.

The present administrative arrangements under which halls currently apply for relief are considered to be complex and the take up of relief by halls is believed to be low compared to the level of community use. Two main issues arise:

- whether the existing arrangements provide an appropriate level of rate relief for halls; and
- whether there is scope to simplify the administrative arrangements and increase the level of uptake.

The Government would like to further encourage use of these halls for wider community purposes. It also recognises that there are concerns over the complexity of the current system.

To address these factors the Government proposes to fully exempt halls from rates provided that the properties are made fully available for use by the wider community. It is likely that some form of confirmation that this condition is met would be required.

It proposes also to exclude from exemption properties that have a liquor licence on the basis that such halls 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 other licensed properties. It is aware, however, that a small number of licensed halls are currently in receipt of partial relief under the existing system and it is the Government's intention that such halls would not be disadvantaged by these changes in terms of any relief that they currently receive.

Bodies Excluded from Exemption

Since reorganisation of local government in Northern Ireland in 1972, rating legislation has excluded certain bodies (e.g. Universities, Education and Library boards, Museums) that would otherwise qualify for exemption from rates. The reasons for exclusion are that this helps maintain the District Council rate base and that a significant proportion of the income of these prescribed bodies derives from public funds.

This in itself raises complex issues in that if these bodies were exempted from rate liability there could be consequences for public finances and possible implications for the way the bodies themselves are funded. The Department of Employment and Learning, universities and other key stakeholders are examining the issue further.

The Government does not propose to amend the primary legislation relating to the overall exclusion of bodies from exemption. However, it recognises that anomalies may have developed over the past 30 years and it intends to review the list of bodies currently excluded from exemption. 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 proposals in this policy paper.

Sport and Recreational relief

The maximum amount of relief currently available in Northern Ireland under Article 31 of the Rates (Northern Ireland) Order 1977 is 65%, i.e. a 35% liability. Community Amateur Sports Clubs (CASCs) in Great Britain receive 80% mandatory relief with local authorities having the discretion to grant a further 20% relief.

In Great Britain sports organisations that are charities and use their premises wholly or mainly for charitable purposes are also entitled to 80% mandatory relief and a possible further 20% discretionary relief.

The main issue concerning the present rate relief system in Northern Ireland for sports and physical recreation is whether the level of relief available is adequate.

Another issue is that a club must engage in an activity that is a prescribed recreational purpose. That is, prescribed in regulations made by the Department of Finance and Personnel. The list of such purposes has not been updated since 1979.

Article 31 also restricts clubs from employing professional coaches who also play for the club. The original aim of the provision may need to be reviewed in the light of developments in professionalism in cricket, rugby, gaelic games and other sports in recent years.

The Government proposes to bring Northern Ireland into line with the rest of the United Kingdom in increasing the level of relief available for all qualifying sports clubs from 65% to 80%. However, it does not propose to introduce the availability of 20% discretionary rate relief (which is applied by local authorities in Great Britain) until the Review of Public Administration has concluded and the future format of local government is known.

It will review also the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979. Any addition to or exclusion from the list of prescribed recreations will be carried out through subordinate legislation.

Additionally, in the light of changes in the dividing line between amateur and professional sport, the Government proposes to consider the question of relaxing the restriction on the employment of professional player coaches. It will examine also the continuation of rate relief in circumstances where substantial income from commercial interests is earned by clubs.

The Social Economy Sector

This sector includes organisations that are run on a 'not for profit' basis but which do not have charitable status. In order to come within the definition of social economy organisation, an enterprise must have a social, community or ethical purpose, operate using a commercial business model and have a legal form appropriate to 'not for profit' status.

The sector includes enterprises such as credit unions, industrial and provident societies, housing associations, co-operatives and community businesses, etc. Social organisations are important providers of goods and services which the private and public sectors are sometimes unable to provide. However, because they do not have charitable status they cannot qualify for exemption.

There are issues with extending exemption to this sector, for example the impact on small businesses of providing relief, given that many social economy organisations are in competition with them. Such issues are currently being considered outside the Review of Rating Policy and consideration is being given to a new legal framework for social economy organisations in Great Britain.

Given these factors the Government considers that it would not be appropriate to make any changes with regard to rate relief for this sector at this point in time. Instead it will await developments in Great Britain and the outcome of a review by the Department of Enterprise, Trade and Investment in Northern Ireland².

² Developing a successful Social Economy – published by DETI in January 2004

In summary the Government proposes to:

- retain the existing level of exemption for places of public worship and ancillary buildings;
- extend rate relief to full time ministers and clergymen in circumstances where they carry out pastoral duties from a main domestic residence that they currently own;
- retain the main existing charitable exemptions;
- retain the current position in relation to 'quasi' or recreational charities;
- retain the current legislation relating to the rate relief system and the treatment of charity shops;
- 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';
- fully exempt community halls from rates provided the properties are made fully 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 prescribed list of bodies that are currently excluded from exemption;
- bring Northern Ireland into line with Great Britain by increasing the level of relief available for all qualifying sports clubs from 65% to 80%;
- await the conclusion of the Review of Public Administration when the future format of local government will be known before considering the introduction of the availability of 20% discretionary rate relief for qualifying sports clubs, which would be funded by councils;

- review the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979;
- 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 the introduction of rate relief for the social economy sector.

SECTION 1 - BACKGROUND TO THE REVIEW OF RATING POLICY

1. The Northern Ireland Executive initiated a comprehensive Review of Rating Policy in 2000. This Review was commissioned because 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. The effectiveness, relevance and value for money of the range of reliefs has never been questioned or reviewed until now.
2. Public consultation took place from May to October 2002. Views were sought on the broad options for change in the tax base of the domestic sector and non-domestic sector. Over 100 written responses were received from ratepayers, local councils, businesses, voluntary and community organisations and professional bodies. The public consultation document was accessed on over 19,000 occasions on the Review website and over 1,800 copies of the document were circulated to a variety of interest groups and individuals.
3. The Review, among other issues, sought views on the existing provisions that allow exemption from rates for properties used for public or charitable purposes, for sports and recreation and community purposes.
4. There were 17 responses, mostly from organisations, relating to this area of the non-domestic sector. The majority of respondents indicated broad support for the retention of exemptions and rate relief to deserving organisations. However some concerns were raised about the absence of rate relief for universities and the level of rate relief given to charity shops and amateur sports organisations. There was also pressure from some quarters for the full derating of Orange Halls.
5. Having considered the main charitable reliefs and exemptions, the Government is, broadly speaking, satisfied that they are still relevant and, given the wider review that is underway on the registration and definition of charities in Northern Ireland (see paragraph 7 below), considers that it would not be appropriate to make any major change at this time. This being the case, this Policy Paper examines the 'charitable' issues that emerged from the consultation on the Review of Rating Policy and in particular, the treatment of properties used for:

- public or charitable purposes;
 - sports and recreation; and
 - certain other functions such as public religious worship.
6. It is important to recognise, however, that in making any changes it is businesses and householders that contribute to the cost of public sector services. Any reduction or removal of the rate liability for particular groups may impact the system by:
- passing the burden on to other rate payers
 - complicating the system
 - accelerating the pressure for further reliefs

Northern Ireland Charities Review

7. The Department for Social Development is carrying out a review of the current framework for the regulation of charities in Northern Ireland, including the potential establishment of a Northern Ireland Charity Commission and a Northern Ireland Register of Charities, and has recently issued a consultation paper 'Consultation On The Review Of Charities Administration And Legislation in Northern Ireland 2005'. This is a wide-ranging review that may affect the status of some organisations and their treatment for rating purposes. However, the particular changes proposed in this policy paper will not affect the charitable status of any organisation and therefore these matters can be progressed outside the wider review.
8. Anyone interested in the Northern Ireland Charities Review should contact the Department for Social Development (DSD) at **028 9082 9414** or by writing to:

**Department for Social Development
Voluntary and Community Unit
3rd Floor, Lighthouse Building
Gasworks Business park
Belfast
BT7 2JB**

The document is also available on the DSD website at:

[www.dsdni.gov.uk/consultation-zone/documents/Charities_consultation\(2\).doc](http://www.dsdni.gov.uk/consultation-zone/documents/Charities_consultation(2).doc)

SECTION 2 – INTRODUCTION TO CHARITABLE EXEMPTION AND RATE RELIEF

9. Reliefs and exemptions serve as an important means through which the revenue system can be used as a tool of social, economic and environmental policy. A wide range of reliefs, exemptions and exclusions for particular users and uses of property have developed over the years within rating legislation. Most of it has been piecemeal but all of it has been directed to providing assistance to particular disadvantaged groups, individuals and 'worthy causes'. This is important to policy areas such as social welfare, economic development and urban and rural development.
10. The total annual non-domestic rate bill for 2004/05 in Northern Ireland is approximately £371m. It is estimated that charitable exemptions and reliefs amount to £46m (12.4% of the non-domestic value in the Valuation List) in revenue foregone.
11. 'Exemption of charities from rates dates back to the late eighteenth and mid nineteenth centuries. Legislative provisions and case law from that time have shaped the application of the law to charitable exemption from rates until the present day'³.
12. Article 41 of the 1977 Order (see Annex 2) provides for full or partial exemption from rates for organisations that are not established for profit where the property is used for public, charitable (and what might be called 'quasi' charitable) or other purposes beneficial to the community. Article 31 of the same Order (see Annex 1) provides partial relief to properties used for certain specified sports and physical recreation.
13. There is no single statutory definition of charitable purposes at present but the Department for Social Development is carrying out its own review of charitable law and administration and this will consider the case for a new statutory definition. Traditionally the law has broadly accepted that the following four purposes are charitable:

³ O'Halloran K and Cormacain R, Charity Law in Northern Ireland, Round Hall, 2001

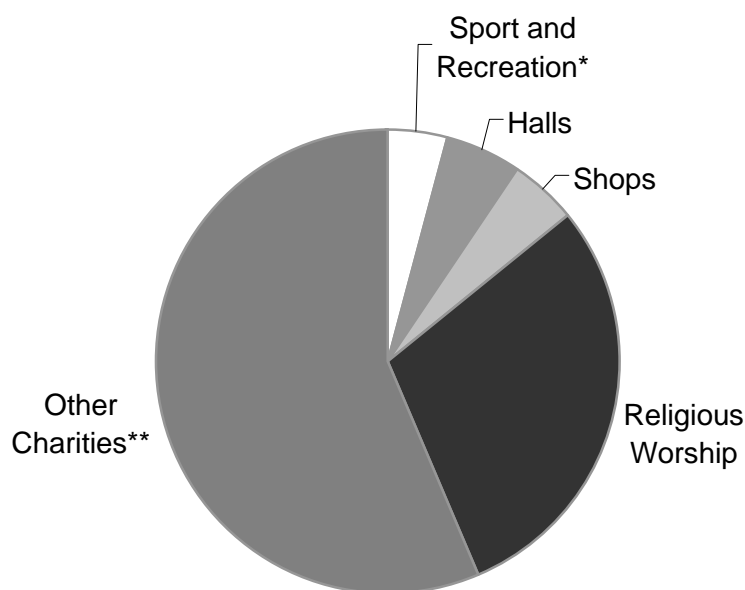
- (i) **The advancement of education** – this includes playgroups and youth organisations as well as bodies, which promote the arts and literature and institutions which advance science and research;
 - (ii) **The promotion of religion** - the law does not favour one religion more than another but presumes that it is good for mankind to have and practice religion.
 - (iii) **The relief of poverty** - this is not simply defined by income but rather by evidence of genuine material need. Relief can be given through direct help or by supporting organisations which provide help for needy people; and
 - (iv) **Other purposes beneficial to the community** – examples include land and buildings devoted to community use and the conservation of national heritage, helping members of the community through the relief of the sick and the care of animals in need.
14. To these four heads of charity in common law, statute law has added a fifth head, i.e. recreational charities. Village halls, community centres, etc. can be charitable but their facilities must be provided in the interest of social welfare to improve the conditions of life for the people for whom the facilities are mainly intended. Either those people have need of such facilities by reason of their youth, old age, infirmity of disablement, poverty or social or economic circumstances or the facilities are made available to all the members of the public or female members of the public.
15. Organisations providing sports facilities open to the general public can be charitable but most sports clubs are set up simply to benefit their members and hence would not be entitled to charitable status. However, partial relief is available to private members' sports clubs under Article 31 of the 1977 Order.
16. Table A below shows the total amount of revenue forgone under the current system in respect of various classes of property as a result of charitable and other exemptions and reliefs, the revenue foregone is displayed in Graph A.

Table A – Revenue foregone under the current rating system⁴

Subclass	Number	Total Exempt Net Annual Value (NAV) (£K)	Revenue Forgone (2004/05 Poundages) (£K)
Clubs	74	562	247
Hostels	59	1,230	540
Offices	1,483	13,231	5,813
Domestic	219	7,228	3,176
Commercial/Store	111	526	231
Local Government facilities	611	15,320	6,732
Halls	985	5,458	2,398
Religious Worship	3,062	31,214	13,716
Shop	627	4,952	2,176
Residential Care	337	4,751	2,088
Education	217	9,530	4,188
Workshop	72	1,020	448
Car parks	17	131	57
Warehouses etc.	27	427	188
Other	192	5,000	2,197
Sport and Recreation *	669	6,864	1,960
Total	8,762	107,444	46,155

*Sport and Recreation currently receive 65% relief, therefore revenue lost is 65% of the total Sport and Recreational NAV multiplied by the poundage.

Graph A - Amount of Relief or Exemption by Charitable Hereditament



*Sport and Recreation currently receive 65% relief, therefore revenue lost is 65% of the total Sport and Recreational NAV multiplied by the poundage.

** Other Charities category includes: Clubs; Hostels; Offices; Domestic; Local Government facilities; Commercial & Store; Residential Care; Education; Workshop; Car Parks; Warehouses and Other.

⁴ Source: VLA non-domestic published list, September 2003. Overall average non-domestic 2004/2005 poundages are applied.

17. Table B shows the total number and amount of revenue foregone by District Council under the current rating system of all charitable and other exemptions and sport and recreational hereditaments. Belfast District Council has the largest number of charitable and sport and recreational hereditaments as well as the largest amount of revenue foregone while Limavady has the lowest number of charitable and sport and recreational hereditaments and Moyle the smallest amount of revenue foregone. Revenue foregone is calculated using the overall regional and district average poundages for 2004/2005.

Table B – Revenue foregone by District Council under the current rating system⁵

District Council	Total No. of Charitable and Sport and Recreational Hereditaments	Revenue Lost (2004/2005 Poundages) (£K)
Antrim	201	935
Ards	339	1,314
Armagh	399	1,482
Ballymena	317	1,598
Ballymoney	135	632
Banbridge	227	788
Belfast	1,727	14,132
Carrickfergus	131	531
Castlereagh	153	1,385
Coleraine	323	1,430
Cookstown	213	798
Craigavon	379	1,602
Downpatrick	389	1,622
Dungannon	353	1,243
Fermanagh	486	1,735
Larne	172	705
Limavady	125	540
Lisburn	375	1,866
Derry	456	2,640
Magherafelt	227	909
Moyle	146	366
Newry and Mourne	478	2,239
Newtownabbey	226	1,352
North Down	293	2,188
Omagh	272	1,332
Strabane	220	791
Northern Ireland	8,762	46,155

⁵ Source: VLA non-domestic published list, September 2003. Overall average non-domestic 2004/2005 poundages are applied. Sport and Recreation currently receive 65% relief, therefore revenue lost for these hereditaments is 65% of the total sport and recreational NAV multiplied by the poundage.

SECTION 3 - CHARITABLE EXEMPTION AND RATE RELIEF ISSUES

SUB-SECTION 3.1 - CHURCHES AND RELATED BUILDINGS

Background

18. Places of public worship have been fully exempt from rates from the nineteenth century and this is common in most countries. Exemption from rates under Article 41 of the 1977 Order 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% relief on the basis that they will be used as living accommodation for ministers.
19. In Great Britain, places of religious worship (generally of whatever faith) and some ancillary buildings are exempt from rates under Local Government Finance legislation. Indeed exemption for places of religious worship is a common feature of most local property taxation systems throughout the world.
20. In the Review of Rating Policy consultation, the majority of those consulted felt that the current rate relief for churches should be maintained, as these buildings provide a valuable service to local communities. However the Association of Baptist Churches in Northern Ireland raised an issue regarding the ownership criteria of domestic accommodation. Technically at present the property has to be owned by church trustees to be eligible for partial relief. In its response, the Association of Baptist Churches stated *'Over recent years it has become more common for ministers of religion to provide their own housing rather than in a manse owned and provided by the church. Such housing is used as manse accommodation'*. Furthermore the Association of Baptist Churches suggested that *'Such relief should only be granted as long as the minister concerned is in the employment of a church, i.e. relief would not be available to retired or out of work ministers'*.

Policy considerations

21. The main issue for consideration is whether the current exemption, granted to 'church owned' domestic property, should be extended to ministers and clergymen who own their accommodation and use it for church business.
22. Ministers of religion and clergymen who carry out pastoral duties from their own home do not presently qualify for rate relief, unlike those who reside in 'church owned' property. It could therefore be argued that there is an inequity of treatment between these two groups. If the current exemption were extended also to cover the former then this would provide the same level of rate relief for all ministers who carry out the same or similar functions.

The Government's preferred approach

23. The Government accepts that the pattern of churches providing living accommodation for ministers and clergymen has changed over a significant number of years in that today ministers are much more likely to own and carry out official church business from their own home. It therefore proposes to extend rate relief to full time ministers and clergymen in circumstances where they carry out pastoral duties from a main domestic residence that they currently own. Rate relief would however not be granted where these duties are conducted from elsewhere, e.g. a church office.

SUB-SECTION 3.2 - CHARITABLE ISSUES

Background

24. Under the 1977 Order, charities are entitled to complete exemption from rates except to the extent to which their premises are used for non-charitable purposes. However as a general rule a secondary activity will be regarded as charitable if it directly facilitates the main charitable activity. Non-charitable purposes might include an activity that is purely for commercial purposes, for example, the leasing of a gable wall for advertising purposes to a private company.
25. The rate liability of charity shops is treated separately in the legislation and dealt with later in this document.
26. In Great Britain, charitable organisations are eligible for 80% mandatory relief. This is provided for in the Local Government Finance Act 1988 and the Local Government (Scotland) Act 1994. This relief can be topped up to 100% at the discretion of the local authority.
27. No issues were raised in the Review of Rating Policy Consultation on charitable exemptions. Respondents generally were content with the present system.

ISSUE 1 - 'QUASI CHARITIES'

Background

28. Article 41(2)(d) of the 1977 Order widens the scope of exemptions to what are known as 'quasi' charities. 'Quasi' charities are 'not for profit' organisations and their main objects must be charitable or concerned with science, literature or the fine arts, for example, not for profit museums and heritage centres.
29. Article 41(2)(e) extends the scope of exemptions also to recreational charities if they are used wholly or mainly for purposes that are declared to be charitable under the Recreational Charities Act (Northern Ireland) 1958⁶ (the 1958 Act). In other words they must provide or assist in the provision of facilities for recreation or leisure time and be in the interests of social welfare. There must also be a public benefit.

Policy considerations

30. The range of recreational activities available, and of organisations existing to provide them, is now significantly greater than when the 1958 Act was passed. Difficulties can arise in determining how far the scope of the Act embraces the many new and varied recreational activities that are now commonplace and examples of some of the activities that have been deemed to be recreational include bingo, dancing, art classes and gym training. The Charity Commission, while having no formal role in Northern Ireland, accepts that certain groups, such as some ethnic minority groups, may be able to demonstrate a special need for certain recreational facilities due to their social and economic circumstances⁷. However the provision of the services of a public house or social club (e.g. a members drinking club) would be rateable as this would not be regarded as meeting a clear social need.

The Government's preferred approach

31. Although the situation in relation to the 1958 Act has changed, no issues were raised on this matter in the Review of Rating Policy Consultation and therefore the Government intends to retain the current position in relation to 'quasi' or recreational charities at this stage.

⁶ (C. 16)

⁷ Charity Commission for England and Wales, RR4 – The Recreational Charities Act 1958 (C. 17)

ISSUE 2 - CHARITY SHOPS

Background

32. There are approximately 6,500 charity shops in the United Kingdom⁸, and it is estimated that there are just over 600 charity shops in Northern Ireland⁹. As retail outlets, they sell mainly second-hand donated goods to raise funds and awareness for their parent charities. Nationally charity shops raise more than £90m annually, funding medical research, overseas aid and support for sick and deprived children, homeless people, mentally and physically disabled people, animal welfare and many other causes¹⁰.
33. Charity shops also benefit the environment by recycling large volumes of reusable items that would otherwise be discarded into the domestic waste stream. The charity shops sector re-uses or recycles some 30% of the total volume of textiles being recycled in the United Kingdom. This reduces the level of waste going to landfill, which in turn reduces costs to local authorities. Charity shops are also used to recycle other materials that are also effectively removed from the domestic waste stream, e.g. paper in the form of books as well as glass, metal and wood¹¹.
34. In Northern Ireland charity shops are given rate relief under Article 41(2)(c) of the 1977 Order to the *'extent that it is used for the sale of goods donated to a charity, so long as the proceeds of sale (after any deduction of expenses) are applied for the purposes of a charity'*¹². A charity shop must be able to show the percentage of donated and non-donated goods sold. It only gains exemption for the percentage of goods sold which are donated goods. This restriction is designed to restrict relief to shops predominantly selling second hand goods. Shops owned by charities, which are to all intents and purposes trading commercially, are not eligible for rate relief.

⁸ <http://fp.charityshops.plus.com/faqs.html>

⁹ Estimated using the classification of shops described as exempt from rates from the VLA's non-domestic property list, September 2003.

¹⁰ <http://fp.charityshops.plus.com/faqs.html>

¹¹ <http://fp.charityshops.plus.com/faqs.html>

¹² Article 41(5)

Policy Considerations

35. Charity shops have low costs because most of the items sold are donated and much of the work is voluntary. However, while they receive some tax concessions, they still must pay full market rents and must meet all their statutory obligations in terms of health and safety and insurance.
36. In the Republic of Ireland (ROI) charity shops are fully rated. The Irish Charities Tax Reform Group has lobbied to have this liability for rates removed, although so far without success.
37. In England and Wales, charity shops are entitled to mandatory relief of 80% under Section 43(5), read in conjunction with section 64(10), of the LGFA 1988 which states '*A hereditament shall be treated as wholly or mainly used for charitable purposes at any time, if at any time it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of goods (after any deduction of expenses) are applied for the purposes of a charity*'. In line with other charitable organisations, charity shops may receive a further 20% discretionary relief from their billing authorities. A similar system exists in Scotland¹³. The position in Northern Ireland therefore differs from that in the rest of the United Kingdom. In Northern Ireland, relief can be partial and is proportionate to the level of donated goods sold in the shop.
38. Historically charity shops occupied unlet or unpopular sites. However the majority are now not only permanent, but also are often in prime trading locations in high streets and market towns¹⁴. A common criticism from the business community is that charity shops are in competition with local shops. It has been argued that rate exemptions are providing an unfair advantage to charity shops competing in the same market as other retailers. Charity shops therefore are able to outbid local businesses for prime high street sites. It is claimed that this forces retailers off the high street.

¹³ A similar provision exists under section 4 of the Local Government (Financial Provisions etc) (Scotland) Act 1962 (C. 9)

¹⁴ <http://fp.charityshops.plus.com/faqs.html>

39. There is also an issue concerning the sale of 'fair trade' goods from charity shops. Promoting fair trade is now a charitable activity¹⁵. The purpose of charity shops in selling fair trade goods is not to make a profit but to improve conditions in developing countries and promote a more equitable system of international trade. Selling fair trade goods directly promotes and facilitates this charitable end.

The Government's preferred approach

40. The Government recognises the concerns of local businesses, particularly with the proliferation of charity shops in recent years. However, it is satisfied that the original rationale for providing relief to this sector is still relevant. It does not propose, therefore, to make any changes at this time to the current legislation relating to the rate relief system for charity shops as it exists in Northern Ireland. Consideration has been given to introducing the system that operates in the rest of the United Kingdom where a charity need only sell 'mainly' donated goods to qualify for 80% or full exemption. It is considered that the system in Northern Ireland works well in providing an incentive to maximise the level of donated goods sold through charity shops and in so doing reduces the selling of new goods, thereby suppressing direct competition with local retailers.
41. In relation to the question of the treatment of 'fair trade goods', the Government proposes to await the outcome of the review of charities legislation in Northern Ireland that is being conducted by the Department for Social Development. In addition, it will take note of developments in this area in Great Britain.

¹⁵ Review of the Register of Charities, RR1, Charity Commission (1999)

SUB-SECTION 3.3 - HALLS

Background

42. Community halls that are occupied by non-charitable organisations are liable to pay rates. These include village halls, Orange halls and Hibernian halls and such halls are entitled to partial rate relief under Article 41 of the 1977 Order in proportion to the amount of time they are used for open community activity. Typically uses such as Sunday schools, community based youth clubs, retirement clubs, playgroups and church meetings are considered 'charitable' and are apportioned out as exempt. In the case of lodge meetings and band practices however, these fall outside what is considered charitable or for the benefit of the wider community.
43. Where a hall is used for charitable or broad community purposes, the occupier must be a body not conducted for profit and the use must be at least 10 per cent recreational under the Recreational Charities Act (Northern Ireland) 1958. The use of the hereditament is apportioned between recreational and non-recreational uses.
44. The degree of relief available to such halls, therefore, is in direct proportion to the use of the facility for charitable or broad community purposes. There is no upper limit on the amount of relief available if the relevant criteria are met. A number of halls already enjoy a substantial element of rate exemption on these grounds. According to the Valuation List there are 1,890 such halls in Northern Ireland, of which 985 (52%) receive some measure of rate relief.
45. However the take up of rate relief is 'piecemeal' at best and is believed to be low relative to the community use of halls. The occupiers of halls, therefore, could make greater use of the existing exemption arrangements than is the case at present.
46. In the ROI, 'community halls', except those that are licensed or used primarily for profit or gain, are non rateable. The Valuation Act 2001¹⁶ provides for full exemption from rates for all 'community halls' used for recreational or social purposes but excluding premises with a liquor licence. 'Community halls' in ROI

¹⁶ No. 13/2001

include Orange halls, parish halls, Masonic halls and halls used for sport and recreation. However the building is either wholly exempt or wholly rated whereas, as stated above, in Northern Ireland rate relief is applied on an 'apportionment' basis.

47. In Great Britain generally the various types of organisations, referred to in this Section, are unlikely to qualify for mandatory relief. However discretionary relief, under section 47 of the Local Government Finance Act 1988, of up to 100% is allowed for properties used wholly or mainly for recreation by a not-for-profit club or society. In determining eligibility, the authority must consider what contribution the organisation makes to the local area.
48. In Scotland Orange halls and Masonic lodges generally do not qualify for mandatory relief. Local authorities have the power to grant discretionary relief to Orange halls and Masonic Lodges of up to 100% but the majority appear to award no form of relief.
49. In the Review of Rating Policy consultation, while it was acknowledged that Orange halls obtained limited rate relief under the current system, some respondents sought full exemption from rates for 'community halls' owned by the Orange and Hibernian institutions that in their opinion provided a service to the community in general and particularly in rural areas.

Policy considerations

50. The main issues for discussion are:
 - whether community halls should be granted an increase in the current levels of rate relief; and
 - how to address the low take up of rate relief by halls under the current system.
51. At present the more a hall is used for charitable or community activities such as Sunday school, retirement club etc the higher the percentage of relief awarded to it. The current system therefore encourages such a hall to open its doors to the benefit of the wider community in general.

52. The Government has noted the views of some of those who responded to the earlier Review of Rating Policy consultation that halls owned by Orange and Hibernian institutions provide a service to the community in general but particularly in rural areas.
53. It would like to further encourage use of halls for wider community purposes.

The Government's preferred approach

54. The Government recognises the contribution that many halls make to the wider community and also the fact that the take up of relief at present is low in comparison to the community use of halls. Furthermore it is aware that there are concerns over the complexity of the current arrangements, e.g. the requirement to keep detailed records of use.
55. It recognises also 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.
56. The Government considers however that if all halls were automatically awarded full exemption from rates, regardless of whether or not they were available for wider community use, then there would no longer be an incentive for them to provide such community facilities.
57. To overcome these difficulties and concerns the Government proposes to fully exempt halls from rates providing the properties are made fully available for use by the wider community. It is likely that some form of confirmation that this condition is met would be required, however this would be much less of a burden than the present requirement to keep detailed records of use and therefore would be likely to improve the level of take up of rate relief by halls generally.
58. The Government also proposes under the new arrangements, to exclude properties that have a liquor licence from exemption on the basis that such halls 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 other licensed properties. It is aware, however, that a small number of licensed halls are currently in receipt of partial relief under the existing system and it is the Government's intention that such halls would not be disadvantaged by these changes in terms of any relief that they currently receive.

SUB-SECTION 3.4

BODIES EXCLUDED FROM RATE EXEMPTION

Background

59. There are a number of bodies that could claim exemption from rates under Article 41 of the 1977 Order but are prevented from doing so because they are expressly excluded in the legislation under Schedule 13 (see Annex 3). These are:

- An Education and Library Board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986¹⁷.
- The Fire Authority for Northern Ireland.
- The governing body of an institution of further education within the meaning of the Further Education (Northern Ireland) Order 1997¹⁸.
- Board of Governors of a maintained school or a grant-maintained integrated school within the meaning of the Education and Libraries (Northern Ireland) Order 1986.
- The Board of Trustees of the National Museums and Galleries of Northern Ireland.
- University of Ulster.
- The Police Authority for Northern Ireland.
- The Queen's University of Belfast.

60. The reason for including these bodies in the Schedule (and therefore making them liable for rates) is because this helps maintain the District Council rate base and also that a significant proportion of the income of the bodies derives from public funds. The provision ensures that they pay their due proportion of rates and this maintains the rate revenue of district councils to its highest potential, with a view to reducing to the minimum the need for support grants to the councils from central funds. Normally central government grants to these bodies take account of property costs and their grants are supplemented accordingly.

¹⁷ S.I. 1986 No. 594 (N.I. 3)

¹⁸ S.I. 1997 No. 1772 (N.I. 15)

Policy considerations

61. The list of excluded bodies in Schedule 13 was first introduced in 1972 to deal with funding issues for the (then) new District Councils. The list is not updated regularly nor is it comprehensive. It is not surprising therefore that a number of anomalies and issues have developed and these are discussed in the following paragraphs.
62. Inclusion in the Schedule removes the right even to apply for exemption to which a body might otherwise be entitled. For example, a university might have had a case for exemption on the basis that it is a trust for the advancement of education.
63. Education and Library Boards might qualify for exemption on the grounds that a property occupied by a Board was '*altogether of a public nature and is occupied and used for purposes of the public service*', i.e. one of the permitted uses for exemption under Article 41.
64. There are a number of other bodies that are centrally funded and that are '*altogether of a public nature and occupied and used for purposes of the public service*'. For example, although the Fire Authority and the Police Authority are listed in Schedule 13, the Ambulance Service is not. Education and Library Boards are also included but Health Trusts are not. This is inconsistent with the result that some bodies could apply for exemption from rate liability under Article 41 of the Order while other similar ones would not be able to do so.
65. In practice, however, 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.
66. In addition, District Councils are not compensated for revenue lost due to exemptions (unlike other losses due to rebates, industrial derating and other forms of rate relief). This being the case, Councils with, for example, large health trusts within their districts would have to consider expenditure cuts in their functions or a higher District Rate than they would otherwise have set.

67. Schedule 13 to the 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. The funding arrangements of universities differ from the other bodies listed and this therefore requires separate consideration.
68. A number of new educational establishments and universities have emerged which are not covered by Schedule 13. For example, the Open University (OU) is registered as an exempt charity with the Charity Commission and gains exemption from rates for its properties in Northern Ireland. Other establishments such as St Mary's University College (but not Stranmillis University College) are exempt from rates on the basis of being educational establishments.
69. Great Britain universities are granted an 80% mandatory exemption from rates and this can rise to 100% as local authorities can grant up to a further 20% discretionary relief. The current financing arrangements for QUB and UU are complex and any change may have wider consequences, both in terms of the higher education sector and the funding of local government. For this reason, the Department of Employment and Learning (DEL), universities and other key stakeholders are examining this issue further.

The Government's preferred approach

70. The Government does not propose to amend the primary legislation relating to the overall exclusion of bodies from exemption. Instead it intends to review the list of bodies currently excluded from exemption, (contained in schedule 13 to the 1977 Order) giving consideration to whether all of these should continue to be excluded and if any additions are necessary. Before doing so however the Government will await the outcome of the current investigations by DEL and others into the financing arrangements for Queens University and the University of Ulster.
71. It should be noted that unlike most other issues described in this Policy Paper, amendments can be made to Schedule 13 relatively easily through subordinate legislation and can therefore be dealt with independently of the other elements of charitable exemptions and reliefs.

SUB-SECTION 3.5 - SPORT AND RECREATIONAL RELIEF

Background

72. Sports and physical recreation is considered to be an important issue by the Government as evidenced by the recently published joint Strategy Unit/DCMS report on sport – ‘*Game Plan*¹⁹’. In that report the Prime Minister said... ‘*Sport is a powerful and often under-used tool that can help Government to achieve a number of ambitious goals.*’
73. Sports and recreational clubs are considered as an important part of the fabric of Northern Ireland. The Northern Ireland Federation of Clubs reports that private member, non-profit making sports, social and recreational clubs are a major employer providing employment for 6,500 people and volunteering opportunities for a further 6,500. They are also major contributors to charitable causes raising approximately £4m per annum²⁰.
74. Rate relief for sports and physical recreation is granted under Article 31 of the 1977 Order. The relief is granted on the basis that it encourages physical recreation at an amateur level and makes a significant contribution to health care. Article 31 provides for 65% rate relief on qualifying facilities (bars etc are excluded). The legislation states the club must not be conducted for profit, nor can it employ a playing professional, other than in the role as instructor. Charging for spectators is permitted.
75. A principle issue concerning rate relief of sports organisations is that the activity must be used for ‘prescribed’ recreational purposes. A prescribed recreation means one that is conducted indoors or outdoors, which requires an appreciable degree of physical effort and is prescribed in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979²¹ (the 1979 Order) (see Annex 4). The list of specified recreations was compiled after consultation with the Sports Council for Northern Ireland and the Association for Local

¹⁹ ‘Game Plan’ published in January 2003 provides a strategy for delivering the Government's sport and physical activity objectives. The report is available from the Strategy Unit's website link www.strategy-unit.gov.uk, under ‘reports’.

²⁰ Northern Ireland Federation of Clubs, Focus on the Future, a survey completed in 2001 in association with the Northern Ireland Council for Voluntary Action.

²¹ S.R. 1979 No. 428

Authorities in Northern Ireland. The guiding principle was that there should be an appreciable degree of physical effort.

76. Games that require a high degree of skill or contribute to intellectual development but require little physical effort do not generally qualify as prescribed recreations, although the degree of physical effort in the list of specified recreations varies considerably. The list of prescribed recreations in the 1979 Order has never been reviewed. A useful reference point for reviewing the list might be the List Of Activities Recognised by The Sports Councils at July 2002 for the purpose of registering as a Community Amateur Sports Club (see Annex 5).

Policy considerations

77. In Great Britain sports organisations that are charities and use their premises wholly or mainly for charitable purposes are entitled to 80% mandatory relief. Local authorities can grant an additional discretionary relief of up to 20%. A sports organisation accepted by the Inland Revenue as having charitable status for tax purposes in Northern Ireland can also receive exemption from rates like any other charity to the extent to which the premises are used for charitable purposes under Article 41 of the 1977 Order.
78. However many community sports organisations, whether in Northern Ireland or in Great Britain, are unable or unwilling to apply for charitable status. To address this problem, on 17 April 2002, the Chancellor of the Exchequer, in his budget, introduced a package of tax relief to support Community Amateur Sports Clubs (CASCs). The tax relief package also extended to CASCs in Northern Ireland.
79. CASC were introduced following Treasury Consultation, 'Promoting Sport in the Community' and were designed to give tax relief to clubs that²²:
- are open to the whole community and have fees set within the wider financial reach of the community (e.g. this may exclude more expensive sports);

²² HM Treasury Guidance on CASCs.

- organised on an amateur basis and are non-profit making; and
 - have as their main purposes providing facilities for, and promoting participation in one or more eligible sports as specified by Treasury Order, by reference to the Sports Councils' list of recognised activities.
80. Clubs registered as CASCs²³ with the Inland Revenue in England and Wales now receive mandatory rate relief of 80% with effect from 1 April 2004. Local councils can increase this relief to 100% at their discretion.
81. The relief operates alongside the current discretionary relief for sports clubs. It is anticipated that billing authorities (local councils in Great Britain) will continue to offer discretionary relief of up to 100% relief to sports clubs that have neither registered with the Inland Revenue as CASCs nor with the Charity Commission as charities.
82. In Scotland, the Scottish Executive intends to introduce 80% mandatory rate relief for sports clubs, which are registered as community amateur sports clubs with the Inland Revenue. However as this will require primary legislation, the Executive secured a voluntary agreement with local authorities – subject to some local variations in relation to gun clubs - to grant at least 80% discretionary rate to community amateur sports clubs from 1 April 2004. The entire cost of any discretionary rate relief granted will be centrally funded. This approach removes the financial disincentive for billing authorities for granting relief.
83. In Northern Ireland, CASCs (if they are not entitled to charitable exemption) can only receive the maximum relief of 65% allowed under Article 31 of the 1977 Order for qualifying recreational purposes.
84. If CASCs in Northern Ireland were to achieve parity with CASCs in Great Britain this would require the current level of rate relief of 65% to be raised at least to the 80% mandatory relief allowed elsewhere in the United Kingdom.
85. 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

²³ See Annex 6 for further information on CASCs

and rugby clubs now employing professional player coaches. However Article 31 of the 1977 Order restricts the employment of professional player coaches.

86. The Article 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 who are themselves engaging or preparing to engage in it 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 circumstance where this restriction might not apply is when the contract of employment is specifically for coaching and any playing activities are left to the goodwill of the player. The rationale for not allowing rate relief on these grounds is twofold: first a club that uses its own resources to pay someone to play a sport results in the Government contributing indirectly to that person's private income by the redirection of 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 for rates.
87. However, a contrary argument is that clubs may not gain financially from employing a professional 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.
88. A point worth noting is that CASCs can pay players in some circumstances. For example cricket clubs that employ a professional can pay him as long as the person is also performing some other developmental role such as coaching members of the club or promoting the sport in the club or the wider community. The emphasis being on promoting wider participation in the game as opposed to payment simply for competitive success.
89. Finally there is the question of commercial activity. Some amateur sports clubs can earn substantial income from commercial interests and there is an issue around whether the few clubs in this privileged position should continue to be entitled to rating relief.

The Government's preferred approach

90. The Government proposes to bring Northern Ireland into line with the rest of the United Kingdom in increasing the level of relief available for all qualifying sports clubs from 65% to 80%. However, it does not propose to introduce the availability of 20% discretionary rate relief (which is applied by local authorities in Great Britain) until the Review of Public Administration has concluded and the future format of local government is known.

91. It will review also the list of prescribed recreations in the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979. Any addition to or exclusion from the list of prescribed recreations will be carried out through subordinate legislation.

92. Additionally, in the light of changes in the dividing line between amateur and professional sport, the Government proposes to consider the question of relaxing the restriction on the employment of professional player coaches. It will examine also the continuation of rate relief in circumstances where substantial income from commercial interests is earned by clubs.

SUB-SECTION 3.6 - THE SOCIAL ECONOMY SECTOR

Background

93. The social economy is made up of organisations that are run on a 'not for personal profit' basis. The sector is very diverse and social economy organisations operate across a wide range of activities and services including housing and property management, cultural activities, sport, manufacturing, care services and arts – in fact almost any form of income generation.

94. The definition adopted across Northern Ireland Departments of social economy organisations is that they must:

- have a social, community or ethical purpose;
- operate using a commercial business model; and
- have a legal form appropriate to a not-for-personal-profit status.

95. Social economy organisations include:

- **Community Businesses:** enterprises that have strong geographical ties and focus on local markets and services, retaining profits within the community.
- **Credit Unions and Industrial and Provident Societies:** the provision of access to community finance as savings organisations and sources of affordable credit and financial advice for the benefit of members.
- **Housing Associations:** the provision of affordable housing for rent or low-cost home ownership and also supportive housing for the elderly or people with disabilities.
- **Local Enterprise Agencies:** stimulating enterprise and business growth through provision of advice, support and workspace across Northern Ireland.
- **Co-operatives:** associations of persons united to meet common economic and social needs through jointly owned and democratically controlled enterprises.

- **Employee owned businesses:** creating and maintaining jobs as part of local economic development activity.
- **Social firms:** the provision of employment and training for disadvantaged groups, for example, people with disabilities.
- **Community Development Finance Institutions:** organisations that use investment funding to achieve social economy aims.

Policy considerations

96. The 'not for profit' ethos is at the heart of the social economy sector however many social 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 generally as Industrial and Provident Societies. Generally speaking, social economy organisations tend to fall into a 'middle ground' that is neither 'charity' nor 'commercial business'.
97. Proposed charities legislation in Great Britain will set out a new legal form for social economy organisations, i.e. the Community Interest Company (CIC). In Northern Ireland DETI has consulted on plans to create these companies for the social economy sector here²⁴.
98. It is proposed that all CICs would be required to have objectives, which are in the public and community interest, but they would not be eligible to register as charities. In Great Britain the Government intends to support social economy enterprises through the national tax system however there are no plans to introduce rate relief specifically for CICs. The question therefore arises in the context of the current review of the rating system in Northern Ireland as to whether specific rate relief for any future CICs should be provided.
99. Not all social enterprises in Great Britain may automatically opt for a CIC structure e.g. some may choose to retain their existing legal structure; while others may decide to opt for charitable status for the first time under '*social and community advancement*' under the proposed new Charities Act.

²⁴ Community Interest Companies – published by DETI in March 2004

100. While this legislation will apply only to England and Wales, tax is not a devolved matter and therefore the legislation could have far reaching consequences for organisations claiming tax relief throughout the United Kingdom as a whole.
101. In the Review of Rating Policy, some of those consulted were of the view that appropriate relief should be made available to the social economy sector on the basis that this sector is not primarily concerned with profit making and provides many services which promote social and financial inclusion, often for disadvantaged people, groups and areas.
102. However it is argued also that in some cases social economy organisations are competing with small businesses and to grant rate relief would be giving social economy organisations an unfair competitive advantage over small businesses.

The Government's preferred approach

103. There are a number of important issues that need to be considered in greater detail before the case for introducing rate relief for the social economy sector in Northern Ireland can be fully addressed. These include issues such as how this sector should be defined and the impact on small businesses of providing relief to it, given that many social economy organisations are in competition with small businesses.
104. In addition the new legal framework for social economy organisations that is currently being developed in Great Britain could have implications for the United Kingdom as a whole and DETI in Northern Ireland is currently carrying out its own review²⁵. Given these factors the Government considers that it would not be appropriate to make any changes with regard to rate relief for this sector at this point in time. Instead it will await developments in Great Britain and the outcome of the review by DETI in Northern Ireland, before considering whether is appropriate to introduce rate relief for this sector here.

²⁵ Developing a successful Social Economy – published by DETI in January 2004

SECTION 4 - SUMMARY OF IMPACT ASSESSMENTS

105. To assist with policy development a number of initial impact assessments have been carried out on the Government's policy proposals. These assessments are collectively referred to as the initial 'Integrated impact assessment' (IIA) and comprise the following:

- Regulatory impact assessment (RIA)
- Equality Impact Assessment (EQIA)
- New Targeting Social Need (New TSN)
- Rural proofing

Further detail on each of these assessments is contained within the IIA document, which is published separately from this policy paper (see below).

106. This summary is intended only to give a brief outline of the potential impacts of the policy proposals and the full assessment of these is contained in the IIA which can be accessed separately through the Review of Rating Policy website (see website address in Section 5) or by contacting the postal address in Section 5. Although it is a separate report in its own right, it is recommended that the IIA should be read in conjunction with this Policy Paper.

107. The main Policy proposals for change relate to:

- Church related houses
- Community halls
- Amateur sport and recreation club property

Church related houses

108. The Government would like 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 and the rationale for this is set out earlier in this Policy Paper.

Impact of proposal

109. The preliminary assessment of the impact that this proposal is likely to have is as follows:

- Individual clergy who qualify for relief will benefit most from the policy proposal by gaining 50% reduction in their rate bills. Early 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, 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 is not expected to be negative.

Community Halls

110. The policy proposal is to grant halls that make their premises available for wider community use full exemption from rates.

Impact of proposal

111. The preliminary assessment of the impact that this proposal is likely to have is as follows:

- 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, the financial amount of relief is skewed towards areas that are less deprived. Increasing the rate relief to 100% would benefit halls throughout the areas of deprivation;
- There are more rural halls receiving rate relief but a greater amount of rate relief is given per hall to urban halls. Therefore increasing the rate relief to 100% is likely to benefit both rural and urban halls.

Sport and recreation

112. The Government's policy proposal is to increase relief for amateur sport and recreational facilities from 65% (currently) to 80%, consistent with the mandatory element of relief in Great Britain. In Great Britain there is also an additional discretionary element of relief (20%) available however it is not proposed to introduce this element in Northern Ireland at this point. The rationale for this is set out earlier in this paper.

Impact of proposal

113. The preliminary assessment of the impact this proposal is likely to have is as follows:

- In overall terms the benefits (encouraging amateur sport with associated health benefits) are likely to outweigh the costs (loss of revenue 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.

SECTION 5 – FURTHER INFORMATION AND CONSULTATION DETAILS

This Policy Paper seeks your views on the policy proposals associated with non-domestic charitable exemptions and reliefs. A summary of the policy proposals to the Policy Paper only will be made available, on request, in alternative formats.

The closing date for responses to the consultation is 17 June 2005.

Your written responses should be sent to:

**Rating Policy Division
Department of Finance and Personnel
Room D12
Rathgael House
Balloo Road
Bangor
BT19 7NA**

As an alternative we would encourage you to e-mail responses to:
Ratingpolicy.cfg@dfpni.gov.uk

You may wish to fax your comments to: **028 9185 8008**

Should you require any further information you should contact: **028 9127 7606**

This document is available on the Review of Rating Policy website at
www.nics.gov.uk/ratingpolicy/

It is also intended that consultation submissions will be placed on the Review of Rating Policy website. The Department can only refuse to disclose information in exceptional circumstances. Corporate confidentiality clauses automatically attached to e-mails will not be taken into account.

Before you submit your response, please read the paragraphs below on the confidentiality of consultations. They give guidance on the legal position about any information given by you in response to this consultation.

The Freedom of Information Act 2000 (c. 36) gives the public a right of access to any information held by a public authority, in this case the Department of Finance and Personnel. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this consultation, including information about your identity, should be made public or treated as confidential.

This means that information provided by you in response to the consultation is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that:

- The Department should only accept information from third parties in confidence if it is necessary to obtain that information in connection with the exercise of any of the Department's functions and it would not otherwise be provided.
- The Department should not agree to hold information received from third parties 'in confidence' which is not confidential in nature.
- Acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.

For further information about confidentiality of responses please contact the Information Commissioner's Office (or see website at: <http://www.informationcommissioner.gov.uk>).

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).
Billing Authorities.	Local Authorities in Great Britain. In Northern Ireland the Rate Collection Agency is currently the sole billing authority that issues bills that cover both the district rate on behalf of the District Councils and the regional rate on behalf of Central Government.
Discretionary Relief.	Proposal where a District Council would have the power to decide whether or not to grant rate relief up to a prescribed level.
Fair Trade.	Trading partnerships that are based on 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 and conserve natural resources.
Hereditament.	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 for profit museums and heritage centres.

Article 31 - Reduction of rates on certain hereditaments used for recreation

(1) Subject to paragraph (5) and Article 44(2A)(b)(i), the amount which, apart from this Article, would be payable on account of a rate in respect of a hereditament to which this Article applies shall for each year be reduced in accordance with paragraphs (3) and (4).

(2) This Article applies to a hereditament—

(a) which, or any part of which, is used solely for the purposes of a prescribed recreation; and

(b) which is occupied for the purposes of a club, society or other organisation that—

(i) is not established or conducted for profit, and

(ii) does not employ any person to engage in any recreation for reward, except for the instruction of other persons who are themselves engaging or preparing to engage in it otherwise than for reward; and

(c) which is not distinguished in the valuation list as exempt from rates as being a hereditament of a description mentioned in Article 41(2)(e) or (f) (recreational charities).

(3) Where the hereditament is shown in the valuation list as used solely for the purposes of a prescribed recreation, the reduction shall be effected by reducing the normal rate by 65 per cent.

(4) Where the hereditament is shown in the valuation list as having part of its net annual value apportioned to a part or parts of the hereditament used solely for the purposes of a prescribed recreation, the reduction shall be effected by computing separately—

(a) so much of the amount payable as is referable to the part of the net annual value shown in the valuation list as so apportioned, and

(b) so much of that amount as is referable to the remainder of the net annual value, and by reducing the normal rate, for the purpose of the computation mentioned in subparagraph (a), by 65 per cent.

(5) Where a hereditament is one to which this Article applies during part only of a year, the reduction shall be made for that part of the year only; and if the reduction, or any adjustment in it, affects the amount levied on account of a rate in respect of the hereditament for that year, the difference—

(a) if too much has been paid, shall be repaid or allowed; or

(b) if too little has been paid, shall be paid and may be recovered as if it were arrears of the rate.

(6) In this Article—

‘the normal rate ‘ for any year in respect of any hereditament means the amount which, apart from this Article, would be the amount in the pound of the rate to be levied for that year in respect of that hereditament;

"prescribed recreation” means a recreation, whether conducted indoors or outdoors, which in the opinion of the Department demands an appreciable degree of physical effort and which is of a kind specified by the Department, after consultation with the Sports Council for Northern Ireland and with any association which appears to the Department to be representative of district councils, by an order made subject to affirmative resolution;

"use " in relation to a hereditament or any part of it means use by members of the club, society or other organisation for the purposes of which the hereditament is occupied or by other persons who under the rules of that club, society or organisation are permitted to use the hereditament or that part;

and for the purposes of this Article and Article 44(2A) an area provided as a parking place for vehicles of persons engaging in a prescribed recreation, and any part of a hereditament constructed or adapted for use by such persons (or by persons who have engaged or intend to engage in the recreation) as a bathroom or lavatory or for use wholly or mainly for the storage of their clothing or of equipment used for purposes of the recreation, shall be treated as used solely for the purposes of that recreation (notwithstanding that it is also used by other persons or that at particular times it is used by persons none of whom are engaging in such a recreation).

Article 41 - Distinguishment in valuation list of hereditaments used for public, charitable or certain other purposes

(1) Subject to the provisions of this Article, where the Commissioner or the district valuer is satisfied that a hereditament is a hereditament of a description mentioned in paragraph (2), he shall distinguish the hereditament, or cause it to be distinguished, in the valuation list as exempt from rates in accordance with paragraph (3).

(2) The hereditaments referred to in paragraph (1) are—

(a) any hereditament which is altogether of a public nature and is occupied and used for purposes of the public service;

(b) any hereditament which consists of either or both of the following—

(i) a church, chapel or similar building occupied by a religious body and used for purposes of public religious worship;

(ii) a church hall, chapel hall or similar building occupied by a religious body and used for purposes connected with that body or for purposes of any charity; together, in either case, with buildings ancillary thereto;

(c) any hereditament, other than a hereditament to which sub-paragraph (b) applies, which—

(i) is occupied by a charity; and

(ii) is used wholly or mainly for charitable purposes (whether of that charity or of that and other charities);

(d) any hereditament, other than a hereditament to which sub-paragraph (b) applies, which is occupied by a body—

(i) which is not established or conducted for profit; and

(ii) whose main objects are charitable or are concerned with science, literature or the fine arts;

where the hereditament is used wholly or mainly for the purposes of those main objects;

(e) any hereditament which is used wholly or mainly for purposes which are declared to be charitable by the Recreational Charities Act (Northern Ireland) 1958;

(f) any hereditament, other than a hereditament to which sub-paragraph (e) applies,—

(i) which is occupied by a body that is not established or conducted for profit; and

(ii) which is used, either by the occupying body or by some other person (whether that body or person is a charity or not), to an extent of not less than 10 per cent. for purposes which are declared by the Recreational Charities Act (Northern Ireland) 1958 to be charitable; and

(iii) which is made available by the occupying body for that use—

(aa) where the use is by that body, subject to charges, if any, not more than necessary to defray reasonable expenses actually incurred by the body by reason of that use, or

(bb) where the use is not by that body, for a consideration, if any, not more than necessary to defray such expenses;

(3) The hereditament shall be distinguished as exempt—

(a) as to one-half of the extent (if any) to which it is used for such of the purposes mentioned in sub-paragraph (a), (b)(i) or (ii), (c), (d), (e) or (f) of paragraph (2) as are domestic purposes; and

(b) as to the whole of the extent (if any) to which it is used for such of those purposes as are not domestic purposes;

and, where the hereditament is used otherwise than either wholly for the purposes mentioned in sub-paragraph (a) or wholly for the purposes mentioned in sub-paragraph (b), the net annual value of the hereditament shall be apportioned by the Commissioner or the district valuer between the use of the hereditament—

(i) for the purposes mentioned in sub-paragraph (a) (if any);

(ii) for the purposes mentioned in sub-paragraph (b) (if any);

(iii) for other purposes (if any);

and the apportionment shall be shown in the valuation list.

(4) Subject to paragraph (5), any use (whether by way of letting or otherwise) for profit shall not be treated as a use for the purposes mentioned in sub-paragraph (a), (b)(i) or (ii), (c), (d), (e) or (f) of paragraph (2), unless it directly facilitates the carrying out of those purposes.

(5) Notwithstanding anything in paragraph (4) and without prejudice to the generality of paragraph (2)(c)(ii), a hereditament shall be treated as used for charitable purposes to the extent that it is used for the sale of goods donated to a charity, so long as the proceeds of sale (after any deduction of expenses) are applied for the purposes of a charity.

- (6) This Article does not apply to—
- (a) a hereditament which is occupied for the purposes of a public utility undertaking;
- or
- (b) a hereditament which—
 - (i) is occupied by a body specified in Schedule 13; or
 - (ii) if hereditaments of any description are included in that Schedule, is a hereditament of that description.

(7) The Department may, by order made subject to affirmative resolution amend Schedule 13 by—

- (a) including hereditaments of any description;
- (b) adding or omitting any body or any description of hereditaments;
- (c) altering the description of any body or hereditament.

(8) A hereditament, or a distinct part of a hereditament, an interest in which belongs to, or to trustees for, a religious body and—

- (a) in which (in right of that interest)—
 - (i) the persons from time to time holding any full-time office as clergyman or minister of any religious denomination, or
 - (ii) any particular person holding such an office, have or has a residence from which to perform the duties of the office; or
- (b) in which (in right of that interest) accommodation is being held available to provide such a residence for such a person as is mentioned in sub-paragraph (a);

shall be treated for the purposes of this Article as occupied by a charity and used wholly for charitable purposes which are also domestic purposes, whether or not it would be so treated apart from this provision.

(9) In this Article—

any reference to a body includes a reference to persons administering a trust; and any reference to a hereditament which is occupied by a body includes a reference to a hereditament which is occupied for the purposes of a body by trustees for the body or by a person charged with the administration of, or otherwise acting on behalf of the body;

"charity " means a body established for charitable purposes only;

"domestic purposes " means the purposes of providing living accommodation for one or more than one person who is a member or employee of a body by or on behalf of which the hereditament is occupied;

"employee " means a person employed under a contract of service;

and in paragraph (2)(a) to (f) any reference to a hereditament of a description there mentioned includes a reference to a hereditament a distinct part of which is of that description.

(10) In accordance with sub-paragraph (f) of paragraph (2), in paragraphs (3), (4) and (5) as they apply in relation to a hereditament such as is mentioned in that sub-paragraph any reference to use of a hereditament is a reference to its use either by the occupying body or by some other person; and any calculation for any year of the extent of use of such a hereditament for the purposes mentioned in head (ii) of that sub-paragraph, and any apportionment for any year of its net annual value between uses in pursuance of paragraph (3), shall be made on the basis of comparing—

- (a) the number of sessions actually devoted to use for such purposes in that year, with
- (b) the total number of sessions that might reasonably be regarded as available for all active uses in that year (that is to say, for use for the purposes mentioned in paragraph (2)(f)(ii) or for meetings, functions or other activities),

"session " for this purpose meaning a continuous period of two hours or more but less than six hours (a continuous period of six hours or more but less than ten being treated as two sessions, one of ten hours or more but less than fourteen being treated as three sessions and similarly for any longer period) during which on any occasion the hereditament, or where different parts of the hereditament are capable of being used concurrently for different purposes, each such part, is used or, as the case may be, is available for use as aforesaid; and in calculating for the purposes of sub-paragraph (b) the total number of sessions that might reasonably be regarded as available for all active uses regard shall be had to all the circumstances and in particular to the location of the hereditament and the actual or potential demand in the neighbourhood for activities for which the hereditament is or might reasonably be made suitable.

SCHEDULE 13

HEREDITAMENTS EXCLUDED FROM EXEMPTION

Occupying bodies

An education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986.

The Fire Authority for Northern Ireland.

The governing body of an institution of further education within the meaning of the Further Education (Northern Ireland) Order 1997.

A Board of Governors of a maintained school or a grant-maintained integrated school] within the meaning of the Education and Libraries (Northern Ireland) Order 1986.

The Board of Trustees of the National Museums and Galleries of Northern Ireland.

University of Ulster.

The Northern Ireland Policing Board.

The Queen's University of Belfast.

**1979 No. 428
RATES**

Rates (Recreational Hereditaments) Order (Northern Ireland) 1979

Made 21st December 1979

Coming into operation. 4th February 1980

*To be laid before Parliament under paragraph 3(3) of
Schedule I to the Northern Ireland Act 1974*

The Department of Finance in exercise of the powers conferred on it by Article 31 of the Rates (Northern Ireland) Order 1977(3) and after consultation with the Sports Council for Northern Ireland and the Association of Local Authorities for Northern Ireland hereby makes the following Order:-

Citation and commencement

1. This Order shall be cited as the Rates (Recreational Hereditaments) Order (Northern Ireland) 1979 and shall come into operation on 4th February 1980.

Specification of kinds of recreation

2. Recreations of the kinds set out in the Schedule (being recreations which in the opinion of the Department of Finance demand an appreciable degree of physical effort are hereby 'specified' for the purposes of Article 31 of the Rates (Northern Ireland) Order 1977.

Sealed with the Official Seal of the Department of Finance for Northern Ireland on 21st December 1979.

(L.S.)

E. J. A. Boston
Assistant Secretary

(a) S.I. 1977/2157 (N.I. 28); Article 31 was substituted by Article 3(1) of the Rates Amendment (N.I.) Order 1979 S.I. 1979/297 (N.I. 4)

SCHEDULE

List of specified recreations

Angling	Horseshoe Pitching	Rounders
Archery	Hurling	Rowing
Athletics	Ice Hockey	Sailing
Badminton	Ice Skating	Shinty
Balloonng	Judo	Shooting
Baseball	Karting	Skateboarding
Basketball	Keep Fit	Skiing
Bicycle Polo	Korfball	Skittles
Billiards, Snooker, Pool	Lacrosse	Softball
Bowling	Land Yachting	Sport and physical Recreation for the Disabled
Boxing	Life Saving	Squash
Camogie	Martial Arts	Stoolball
Camping	Model Aircraft Flying	Sub Aqua
Canoeing	Model Power Boating	Surfing
Caving	Modern Pentathlon	Swimming
Cricket	Motor Cycle Sports	Table Tennis
Croquet	Motor Sports	Tennaquoit
Cruising	Mountaineering	Tennis
Curling	Mountain, cliff, cave and sea rescue	Ten Pin Bowling
Cycling	Movement and Dance	Trampolining
Dance Ballroom	Netball	Tug-of-war
Dance Folk	Orienteering	Volleyball
Darts	Paddle Ball	Water Polo
Diving	Parachuting	Water Skiing
Fencing	Parascending	Wild Fowling
Fives	Petanque (Boule)	Wrestling
Flying (recreational)	Polo	Yoga
Football	Pony Trekking	
Gliding	Power Boating	
Golf	Quoits	
Gymnastics	Racquet Ball	
Handball	Rambling	
Hang Gliding	Recreational Horse Riding	
Hockey	Roller Skating	

EXPLANATORY NOTE

(This note is not part of the Order but is intended to indicate its general purport)

This Order specifies the kinds of recreations which qualify certain hereditaments for rate relief under Article 31 of the Rates (Northern Ireland) Order 1977 as substituted by The Rates Amendment (Northern Ireland) Order 1979.

List Of Activities Recognised By The Sports Councils At July 2002 for the purpose of registering as a CASC

Aikido	Handball	Racketball
American Football	Hang/Para Gliding	Rackets
Angling	Highland Games	Raquetball
Archery	Hockey	Rambling
Arm Wrestling	Horse Racing	Real Tennis
Association Football	Hovering	Roller Hockey
Athletics	Hurling	Roller Skating
Australian Rules Football	Ice Hockey	Rounders
Badminton	Ice Skating	Rowing
Ballooning	Jet Skiing	Rugby League
Baseball	Ju Jitsu	Rugby Union
Basketball	Judo	Sailing
Baton Twirling	Kabaddi	Sand/Land Yachting
Biathlon	Karate	Shinty
Bicycle Polo	Kendo	Shooting
Billiards and Snooker	Korfball	Skateboarding
Bobsleigh	Lacrosse	Skiing
Boccia	Lawn Tennis	Skipping
Bowls	Life Saving	Snowboarding
Boxing	Luge	Softball
Camogie	Modern Pentathlon	Sombo Wrestling
Canoeing	Motor Cycling	Squash
Caving	Motor Sports	Skater/Street Hockey
Chinese Martial Arts	Mountaineering	Sub-Aqua
Cricket	Movement, Dance, Exercise & Fitness	Surf Life Saving
Croquet	Netball	Surfing
Crossbow	Orienteering	Swimming & Diving
Curling	Parachuting	Table Tennis
Cycling	Petanque	Taekwondo
Disability Sport	Polo	Tang Soo Do
Dragon Boat Racing	Pony Trekking	Tenpin Bowling
Equestrian	Pool	Trampolining
Fencing	Quoits	Triathlon
Fives		Tug of War
Flying		Unihoc
Gaelic Football		Volleyball
Gliding		Water Skiing
Golf		Weightlifting
Gymnastics		Wrestling
		Yoga

What is a Community Amateur Sports Club?

The definition of a CASC is set out in legislation. It was introduced following HM Treasury Consultation, 'Promoting Sport in the Community'. It was designed to give tax relief to clubs that:

- are open to the whole community and that fees set within the wider financial reach of the community (e.g. this may exclude more expensive sports such as yachting)
- are organised on an amateur basis and non-profit making
- have as their main purpose providing facilities for, and promoting participation in one or more eligible sports as specified by Treasury Order, by reference to the Sports Councils list of recognised activities.

Payments to members

In broad terms payment to members is allowed to:

- enter into agreements with members for the supply to the club of goods or services, or
- employ and pay remuneration to staff who are also members of the club.

Similar to the Northern Ireland legislation, a club can pay members for services such as coaching but do not normally allow a CASC to pay members to play. However, unlike the legislation, some flexibility is allowed in relation to payment to member in certain circumstances. The rules state that small payments to some members for playing may be acceptable as long as the object of paying players is to encourage wider participation in the sport. However a club which pays players simply to achieve competitive success will not meet the qualifying criteria. The following are examples where small payments are regarded as acceptable.

Example 1. A cricket club pays a member for his services as a groundsman. The rates of pay are reasonable and negotiated at arms length. This would be acceptable.

Example 2. An amateur football club pays two professional players to play in a league. In addition to their playing duties the two players have coaching and development roles with the club's junior squads that are open to all, regardless of ability. Again, this would be acceptable.

Example 3. A rugby club fields three teams that play in league tournaments. The first team players are engaged on full-time professional playing contracts. While they are required to undertake a small number of promotional activities they do not have any coaching or junior development role. This would be unlikely to be accepted as a CASC.

Inland Revenue Tax Relief Package to assist Community Amateur Sports Clubs (CASCs)

With effect from April 2002, sports clubs that are registered as CASCs with the Inland Revenue have been able to claim a package of tax reliefs throughout the United Kingdom including Northern Ireland. The Sports Council for Northern Ireland estimates that 5,000 to 6,000 sports clubs in Northern Ireland could benefit from the package. The tax reliefs are as follows:

- exemption from Corporation Tax on profits from trading where the turnover of the trade is less than £15,000
- exemption from Corporation Tax under Schedule A on income from property where the gross income is less than £10,000
- exemption from Corporation Tax on interest received
- exemption from Corporation Tax on chargeable gains

In the Pre-Budget Report in December 2003, the Chancellor also announced his intention to double the Corporation Tax exemptions for Community Amateur Sports Clubs (CASCs) in the next Finance Bill. This will mean that clubs with a trading turnover of less than £30,000 and/or property income of less than £20,000 will pay no Corporation Tax on those sources of income.

CONSULTATION LIST

GENERAL

AEEU	Grand Lodge of Ireland (Freemasons)
Ancient Order of Hibernians	Grand Orange Lodge of Ireland
Apprentice Boys of Derry	HM Council of the County Court Judges
Armagh City Centre Management	Independent Loyal Orange Institution
ATGWU	Initiative Economic Development
Belfast Solicitors Association	Inland Revenue
CBI	Institute of Directors
Coiste na-iarchimi	Institute of Professional Legal Studies (QUB)
Committee on the Administration of Justice	Invest NI
Construction Employers Federation	Irish Auctioneers and Valuers Institute
Democratic Left	Irish National Foresters' (NI)
Economic and Research Institute for NI	IRRV
Equality Commission for NI	Lands Tribunal for NI
Equality Forum NI	Law Centre (NI)
Federation of Small Business	Law Reform Advisory Committee
General Consumer Council for NI	Magistrates Court, Belfast
GMBU	MOD

CONSULTATION LIST

GENERAL

NI Affairs Committee	NI Resident Magistrates Association
NI Amicus	NI Spokespersons in the House of Lords and House of Commons
Northern Ireland Association of Clubs	NILGA
NI Chamber of Trade	NIPSA
NI Committee ICTU	School of Law (QUB)
NI Court Service	School of Law (UU)
NI District Councils	Social Economy Agency (NI)
NI Government Departments	Society of Local Authority Chief Executives
NI Human Rights Commission	The Executive Council of the Inn of Court of NI
NI Members of the Assembly	The Industrial Society
NI Members of the European Parliament	The Law Society for NI
NI Members of the Lords	The Office of Law Reform
NI Political Parties	The Ombudsman's Office
NI Resident Magistrates Association	The Order of the Knights of St Columbanus
NI Spokespersons in the House of Lords and House of Commons	The Order of the Knights of St Columbanus
NILGA	The Royal Black institution
NIPSA	Town Centre Forum
NIWEP	UCATT
POBAL	ULTACH
RICS	Ulster Scots Heritage Council
Royal Antediluvian Order of Buffaloes	Unison
NI Resident Magistrates Association	West Belfast Economic Forum
NI Spokespersons in the House of Lords and House of Commons	

CONSULTATION LIST

CHARITABLE AND VOLUNTARY ORGANISATIONS

ACOVO (NI)	Marie Curie Cancer Care
Action Cancer	Mencap
Action M S	NSPCC
ADAPT NI	Nexus
Age Concern	NI Anti Poverty Network
Arthritis NI	NIAMH
Barnado's	NI Chest Heart and Stroke
Blind Centre for NI	NICVA*
British Deaf Association	NICEM
British Red Cross	NIGRA
Bryson House	NI Hospice
Cancer Research NI	Oxfam
Cedar Foundation	Praxis
Citizens Advice Bureau	RNIB
Community Relations Council	RNID
Disability Action	Rural Community Network
ECONI	Samaritans
Extern	Sargent Cancer Care for Children
Gingerbread NI	Save the Children Fund
Heart Foundation	Simon Community NI
Help the Aged	Ulster Cancer Foundation
MacMillan Cancer Relief	War on Want

- NICVA is being used as the main vehicle for reaching all members of the voluntary sector

CONSULTATION LIST

SCHEDULE 13 TO THE 1977 ORDER

Belfast Education and Library Board	Governing Bodies Association (Voluntary Grammar Schools)
North-Eastern Education and Library Board	Comhairle na Gaelscolaíochta
South-Eastern Education and Library Board	Eastern Health and Social Services Board
Southern Education and Library Board	Northern Health and Social Services Board
Western Education and Library Board	Southern Health and Social Services Board
Queens University Belfast	Western Health and Social Services Board
University of Ulster	Altnagelvin Hospital Trust
Open University in Ireland	Armagh and Dungannon Hospital Trust
Stranmillis University College	Belfast City Hospital Trust
St. Mary's University College	Causeway Trust
Armagh College of Further and Higher Education	Craigavon Banbridge Community Trust
Belfast Institute of Further and Higher Education	Down Lisburn Trust
Castlereagh College of Further and Higher Education	Foyle Trust
Causeway Institute of Further and Higher Education	Green Park Trust
East Antrim Institute of Further and Higher Education	Homefirst Community Trust
East Down Institute of Further and Higher Education	Mater Hospital Trust
East Tyrone Institute of Further and Higher Education	Newry and Mourne Trust
Fermanagh College of Further and Higher Education	North and West Belfast Trust
Limavady College of Further and Higher Education	Northern Ireland Ambulance Service HSS Trust
Lisburn Institute of Further and Higher Education	Royal Group of Hospitals and Dental Hospital Trust
Newry and Kilkeel Institute of Further and Higher Education	South and East Belfast Trust
North Down and Ards Institute of Further And Higher Education	Sperrin and Lakeland Trust
North East Institute of Further and Higher Education	Ulster Community and Hospitals Trust
North West Institute of Further and Higher Education	United Hospitals Trust
Omagh College of Further and Higher Education	Fire Authority for Northern Ireland
Upper Bann Institute of Further and Higher Education	National Museums and Galleries of Northern Ireland
Northern Ireland Council for Integrated Education	Police Authority for Northern Ireland

CONSULTATION LIST

RELIGION

Baptist Union of Ireland	Non-Subscribing Presbyterian Church of Ireland
Belfast Hebrew Congregation	NI Islamic Centre
Church of Ireland	Presbyterian Church in Ireland
Congregational Union of Ireland	Quakers Religious Society of Friends
Elim Pentecostal Church	Reformed Presbyterian Church of Ireland
Evangelical Presbyterian Church	Roman Catholic Church
Free Presbyterian Church	Salvation Army
Methodist Church in Ireland	Sikh Cultural Centre

CONSULTATION LIST

SPORT AND RECREATION

Association of NI Car Clubs	NI Amateur Fencing Union
British Horse Society NI Region	NI Amateur Gymnastics Association
Canoe Association of NI	NI Amateur Weightlifters' Association
Cycling Ulster	NI American Football Association
Fitness NI	NI Archery Society
Golfing Union of Ireland Ulster Branch	NI Association of Aeromodellers
Irish Bowling Association	NI Athletic Federation
Irish Football Association	NI Billiards and Snooker Association
Irish Indoor Bowling Association	NI Blind Sports
Irish Ladies Golf Union NI Region	NI Cricket Association
Irish Water Polo Association Ulster Branch	NI Cycling Federation
Irish Water Ski Federation NI Sub Committee	NI Federation of Sub Aqua Clubs
Irish Women's Bowling Association	NI Ice Hockey Association
Irish Women's Indoor Bowling Association	NI Ice Skating Association
Lord Moynihan	NI Ju Jitsu Association
Motor Cycle Union of Ireland Ulster Centre	NI Judo Federation
Motorcycle Racing Association	NI Karate Board
Mountaineering Council of Ireland	NI Karting Association
National Chinese and Martial Arts Association	NI Olympic Wrestling Association
Netball NI	NI Orienteering Association
NI Aikido Association	NI Pool Association

CONSULTATION LIST

SPORT AND RECREATION

NI Ski Council	Ulster Basketball Association
NI Smallbore Shooting Union	Ulster Camogie Council
NI Sports Forum	Ulster Clay Pigeon Shooting Association
NI Ten Pin Bowling Federation	Ulster Coarse Fishing Federation
NI Tug of War Association	Ulster Council Gaelic Athletic Association
NI Volleyball Association	Ulster Council Irish Sea Anglers
Northern Women's Cricket Union of Ireland	Ulster Council Racquetball Association of Ireland
Royal Life Saving Society Ulster Branch	Ulster Federation of Rambling Club
Royal Scottish Country Dance Society	Ulster Flying Club
Royal Yachting Association (NIC)	Ulster Gliding Club
Speleological Union of Ireland	Ulster Handball Council
Taekwondo Association of NI	Ulster Hang Gliding and Paragliding Club
Ulster Branch Badminton Union of Ireland	Ulster Provincial Council Irish Amateur Boxing Association
Ulster Branch Irish Amateur Rowing Union	Ulster Region Swim Ireland
Ulster Branch Irish Hockey Association	Ulster Rifle Association
Ulster Branch Irish Rugby Football Union	Ulster Squash
Ulster Branch Irish Table Tennis Association	Ulster Women's Hockey Union
Ulster Branch Irish Triathlon Association	Yoga Fellowship of NI
Ulster Branch Tennis Ireland	NI Sports Council
Ulster Angling Federation	