

Sport and Recreation Alliance

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# Policy Update August 2011

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## POLICY UPDATE August 2011

### 1. Policies and Parliament

#### **New National Planning Framework proposals threaten recreation**

The Government is pressing ahead with plans to re-prioritise the planning system by encouraging more development at the expense of open space and sport and recreation facilities. The draft Framework will allow facilities to be built on if the 'benefits outweigh the loss'. This position will make open space and facilities vulnerable to 'change of use' applications which could significantly increase the cost of land. There is also no mention of playing fields despite assurances that they would be afforded greater protection.

The Sport and Recreation Alliance wants to see greater protection for valuable facilities by ensuring that if a decision is taken to build on a facility a replacement is provided. This will bring planning policy in line with current levels of protection. The Alliance has contacted all members to ask for support for this campaign by:

1. [Supporting our open letter](#) <sup>[1]</sup>
2. [Asking clubs to contact their MP](#) <sup>[1]</sup>
3. [Responding to the consultation using the online tool before 17 October 2011](#) <sup>[1]</sup>
4. [Sending a letter to the Minister](#) <sup>[1]</sup>

If you would like to get involved click on the links above. If you have questions please contact Martin Key.

#### **Government to ease burden on claiming Gift Aid on small donations**

As announced during this year's budget, it is the Government's intention to enable Community Amateur Sports Clubs (CASCs) and charities to claim Gift Aid-style repayments on small donations starting in April 2013. The amount of small donations on which the new repayment can be claimed will be capped at £5,000 per year, per CASC or charity. This means that qualifying CASCs and charities will be eligible for a repayment of up to £1,250 per year without having to submit Gift Aid application forms. In order to qualify for this new repayment, charities and CASCs will need to have been recognised by HMRC for at least three years, have been operating Gift Aid successfully throughout that time and have a good tax compliance record.

The Sport and Recreation Alliance sits on the small donations working group and will be working closely with other stakeholders and HMRC to help finalise the draft legislation by the end of 2011. The Alliance will be pushing for a flexible approach by HMRC towards the qualifying conditions so that as many CASCs and sports charities as possible can benefit from the proposals.

If you are a CASC or sports charity and would like to feed your comments on the proposals into the working group, please contact David Foster [dfoster@sportandrecreation.org.uk](mailto:dfoster@sportandrecreation.org.uk) <sup>[2]</sup>.

#### **Sports Parliamentarian of the Year**

The Sport and Recreation Alliance would like to hear which MP or member of the House of Lords you think deserves to be recognised for their efforts to promote and protect the interests of sport and recreation in 2011.

Has your governing body received support in Parliament? Has your club benefitted from the support of the local MP this year? Or perhaps you have been impressed by an individual's their commitment to a particular campaign. Whatever the reason, the Sport and Recreation Alliance would like to hear from you.

How can I contribute?

We are seeking nominations from individuals, clubs, national governing bodies and other interested organisations from across the sport and recreation sector. To nominate a Parliamentarian, please download the one-page form from our [website](#) <sup>[3]</sup> and return it to the Sport and Recreation Alliance by email, post or fax. Please note the deadline for submissions is Friday 23 September 2011.

For more information please contact Simon Butler on 0207 976 3902 or at [sbutler@sportandrecreation.org.uk](mailto:sbutler@sportandrecreation.org.uk) <sup>[4]</sup>.

### **Parliamentary networking event**

The Sport and Recreation Alliance will hold a reception at the House of Commons on 25 October from 12:30. The event will be the Parliamentary launch of our Sports Club Survey and will be used to highlight key issues from the report to MPs. This will not only serve as a useful networking opportunity for members but will also provide further exposure for the sport and recreation sector in Westminster.

Members are invited to attend alongside Parliamentarians, and formal invitations will be sent in the coming weeks. To indicate your interest in attending this event please contact Simon Butler by emailing [sbutler@sportandrecreation.org.uk](mailto:sbutler@sportandrecreation.org.uk) <sup>[4]</sup>.

## **2. CONSULTATIONS**

### **Removal of tax reliefs for sports stadia**

HM Treasury is looking to abolish a tax relief associated with safety at sports grounds. Capital allowances are currently claimed by sport on safety improvements for stadia; in other words if you have to make health and safety improvements, it is possible to claim tax relief.

The Treasury claims that the tax relief is obsolete, but this is not the case and it is still claimed by the sports sector. The relief ranges from use on international stadia to grassroots facilities. The consultation wrongly asserts that the relief is not used on new stadia and that upon reaching an appropriate standard health and safety requirements stop - yet local authorities reissue safety certificates regularly with new requirements.

#### **How can I contribute?**

You can see the Alliance's response to the consultation on the [removal of tax reliefs for sports stadia here](#) <sup>[5]</sup>. If you would like to support the Alliance's point of view or find out more information, contact James [jmacdougall@sportandrecreation.org.uk](mailto:jmacdougall@sportandrecreation.org.uk) <sup>[6]</sup>

### **Changes to managed migration for sport and recreation**

There are currently three government consultations on migration, to which the Sport and Recreation Alliance is planning to respond over the next few weeks. They are as follows:

1. [Employment-related settlement; Tier 5 and Overseas Domestic Workers](#) <sup>[7]</sup>
2. [Family migration](#) <sup>[8]</sup>
3. [Call for Evidence: Analysis of the settlement of migrants using Tiers 1 and 2](#) <sup>[9]</sup>

These consultations cover several areas which could affect sport - for example the ability of sports

people to switch employers during a temporary stay, the maximum stay for a sportsperson, the automatic right to settlement and restrictions for dependents.

Our response will emphasise that the system has worked well with NGBs implementing robust selection criteria for migrants. The Alliance is continuing to engage with the Migration Advisory Committee, which is currently assessing the economic impact of restricting/removing settlement rights.

### **How can I contribute?**

We would like to learn how you think the content of these consultations may affect your sport, particularly on the following points:

- Whether sportspeople stay in the UK for over five years
- The ability of sportspeople to switch employers while in the UK
- How dependents of other migrants use their entitlement to work to bypass the system and participate in elite sport.

The UK Border Agency consultations can be completed simply in a tick-box form, so it could also be useful for individual national governing bodies to respond as well.

For more information please contact Simon Butler on 020 7976 3902 or at [sbutler@sportandrecreation.org.uk](mailto:sbutler@sportandrecreation.org.uk) <sup>[4]</sup>.

### **Cost sharing exemptions on VAT**

HMRC is currently consulting on a possible model for cost sharing exemptions on VAT that could be introduced in the UK. The VAT Cost Sharing Exemption is a provision in European law that allows businesses and organisations making VAT exempt and/or non-business supplies to form groups to achieve cost savings and economies of scale. Once formed the groups are relieved of a VAT charge on their supplies if all the conditions of the exemption are met. This consultation is particularly relevant to sports clubs and charities who may wish to work together with other organisations to facilitate efficiency savings.

### **How can I help?**

The consultation phase will close on 30 September 2011 and the Alliance will be submitting a response in the coming weeks. As such, we are inviting contributions from anyone interested in exploring the possibility of establishing a group to benefit from VAT cost sharing exemptions, so please contact David Foster [dfoster@sportandrecreation.org.uk](mailto:dfoster@sportandrecreation.org.uk) <sup>[2]</sup> with your comments. Alternatively, if you would like to submit a response from your organisation or wish to find out further information, the [full consultation document on cost sharing exemptions for VAT can be found here.](#) <sup>[10]</sup>

### **Improvements to information sharing for sports betting**

The Government has launched a consultation on its proposed amendments to Schedule 6 of the Gambling Act. The intention is to add several domestic and international sports bodies – including the IOC – to the list of organisations named under Schedule 6 which are bound by information-sharing agreements with the Gambling Commission. This is good news for sport and follows the Government's announcement last month that it will be introducing stricter licencing requirements for overseas bookmakers operating in the UK.

### **How can I contribute?**

The consultation phase will run until 9 November and the Alliance will work with the Sports Betting Group over the coming weeks to develop its response to the consultation. DCMS is particularly keen to hear from sports governing bodies, so if you wish to submit a response from your organisation then you can access the [consultation paper here](#) <sup>[11]</sup>. Alternatively if you would like any further information or wish to pass on any comments from your organisation, please contact David Foster [dfoster@sportandrecreation.org.uk](mailto:dfoster@sportandrecreation.org.uk) <sup>[2]</sup>.

## **3. RESEARCH**

## NCVO reveals the extent of cuts on the voluntary sector

The National Council for Voluntary Organisations (NCVO) published a report on the impact of cuts to the voluntary sector at the beginning of August. Whilst there is no sport or recreation specific focus in the report it makes for interesting reading based on a series of well-thought through estimations regarding the cuts and their financial impact.

There are also some sensible recommendations within the report, one of which echoes findings from our Red Card to Red Tape report by suggesting that, 'Government should quickly implement proposed simplifications to Gift Aid and work with the sector to meaningfully implement its obligations under European law in relation to shared services VAT.'

Some facts for sport and recreation:

- It is predicted that between 2010-11 and 2014-15 DCMS will spend £104.3million less on the voluntary sector (based on 2010/11 prices)
- Between 2010-11 and 2014-15, DCMS is to reduce spending by £0.4billion (adjusted for inflation)
- Giving levels fell by around 10% during the recession and have still not fully recovered
- The UK voluntary and community sector will lose around £911 million a year in public funding by 2015-16
- This means that, cumulatively, the sector stands to lose £2.8 billion from Government over the current spending review period

NCVO (2011) **'Counting the Cuts, The impact of spending cuts on the UK voluntary and community sector'** <sup>[12]</sup>

## PWC analyses attendances at top UK sporting events

August also saw Pricewaterhouse Coopers release data on the attendance levels at major UK sporting events (with paying spectators). We have used this attendance data to estimate how much money Treasury receives through VAT on sales at these big events.

Wimbledon (494,761 spectators) and the British Grand Prix (315,000 spectators) have the highest levels of attendance, both considerably up on last year. Given that Wimbledon has 13 days of competition, the British Grand Prix actually had the highest level of attendance on any single day with 122,000 paying spectators attending on the Sunday. The British Grand Prix also generated by far the highest income from ticket sales, given the higher ticket prices. This has resulted in a substantial contribution from the British Grand Prix of an estimated £14 million to Treasury through VAT on ticket sales. Wimbledon, as the most attended event, makes the next highest VAT contribution to Treasury at an estimated £4 million.

Looking at the levels of attendance for all of the top 10 paid events combined, by hosting these in the UK, the Treasury receives an estimated £30 million in VAT. It just goes to show how major sports events contribute to the UK economy and how important they are.

## New Monitoring and Evaluation Tool for the Sport for Development Sector

With more and more emphasis being placed on the social outcomes of sports projects, the Sport and Recreation Alliance has been looking at ways to help national governing bodies quantify the value of their community projects.

Substance is (<http://www.substance.coop/> <sup>[13]</sup>) a research organisation that has been working with sported. – Sir Keith Mills' sport for development charity - and other sports organisations to find ways to demonstrate the impact and value of their sports projects.

Substance is developing an impact assessment application for the 'sport for development' sector, specifically focusing on work with young people, and the Alliance's policy team think it looks really useful.

You can register to access and test a new version of the tool from this [website](#) <sup>[14]</sup>. The impact assessment application is designed to predict the likely impact of specific interventions based on the criteria which make young people most at risk from particular social problems. This is based on existing knowledge of what works in protecting young people from that risk.

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**Links:**

- [1] <http://www.sportandrecreation.org.uk/planning>
- [2] <mailto:dfoster@sportandrecreation.org.uk>
- [3] <http://www.sportandrecreation.org.uk/news/17-08-2011/sports-parliamentarian-year>
- [4] <mailto:sbutler@sportandrecreation.org.uk>
- [5] [http://www.sportandrecreation.org.uk/sites/default/files/web/documents/consultation/Capital%20allowance%20on%20safety%20improvements%20for%20stadia-%20DRAFT%20consultation%20response\\_1.pdf](http://www.sportandrecreation.org.uk/sites/default/files/web/documents/consultation/Capital%20allowance%20on%20safety%20improvements%20for%20stadia-%20DRAFT%20consultation%20response_1.pdf)
- [6] <mailto:jmacdougall@sportandrecreation.org.uk>
- [7] <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/consultations/employment-related-settlement/>
- [8] <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/consultations/family-migration/>
- [9] <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/call-for-evidence>
- [10] [http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?\\_nfpb=true&\\_pageLabel=pageLibrary\\_ConsultationDocuments&propertyType=document&columns=1&id=HMCE\\_PROD1\\_031398](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageLibrary_ConsultationDocuments&propertyType=document&columns=1&id=HMCE_PROD1_031398)
- [11] [http://www.culture.gov.uk/images/consultations/Schedule\\_6-Consultation\\_AUG2011.pdf](http://www.culture.gov.uk/images/consultations/Schedule_6-Consultation_AUG2011.pdf)
- [12] [http://www.ncvo-vol.org.uk/sites/default/files/counting\\_the\\_cuts.pdf](http://www.ncvo-vol.org.uk/sites/default/files/counting_the_cuts.pdf)
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