

CCB



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The Rt Hon Malcolm Rifkind MP  
Secretary of State  
Scottish Office  
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My ref:  
Your ref:

19 February 1987

Dear Malcolm *NBRM*

ABOLITION OF DOMESTIC RATES ETC (SCOTLAND) BILL: RATING OF SPORTS CLUBS

Thank you for copying to me your letter of 12 February to Willie Whitelaw proposing 50% mandatory rate reliefs for non-profit making sports clubs. I have seen John MacGregor's letter of 16 February.

I agree with John and I am afraid that I too oppose your proposals for 3 reasons in particular:

- Section 40 of the General Rate Act which governs the present discretionary relief for sports clubs is not, as you suggest, virtually the same as the Scottish provision, because it goes much wider in making discretionary relief available to any non-profit-making organisation whose main objectives are charitable, philanthropic, religious, or concerned with education, social welfare or the fine arts, as well as to non-profit-making clubs mainly used for recreation. I can see no grounds on which to distinguish sports clubs from any of that much wider list.
- As you suggest the problem is essentially one of valuation practice. Since we are now engaged on harmonisation of practices, the granting of a permanent mandatory relief as well as ultimately getting the rateable values down and bringing Scottish non domestic poundages in line with those in England would be too generous.
- Other ratepayers may well resent an indiscriminate subsidy for all sports clubs regardless of where the membership is drawn from or how restrictive the membership requirements are. Those who are not sporting will ask why their favourite recreation is not subsidised. The justification for any relief should rest on the extent to which clubs are providing a general benefit to the community and it should be for the local authority to decide on the facts whether that test is being met.

I am copying this letter to the Prime Minister, members of E(LF) and to Sir Robert Armstrong.

*Nicholas Ridley*  
Nicholas

NICHOLAS RIDLEY



LOCAL GOVT: Rating reevaluation: Pt 6

