

Check, challenge, appeal: reforming business rates appeals - consultation on statutory implementation

Submission by the Sport and Recreation Alliance

The Sport and Recreation Alliance

The Sport and Recreation Alliance is the umbrella body for the national and representative bodies of sport and recreation. In all we have around 320 members from across the sector, ranging from The FA, the Rugby Football Union, British Athletics, Ramblers, British Rowing and the Exercise Movement and Dance Partnership.

The Alliance exists to champion our members' interests including, amongst other things, the development of a policy and regulatory environment in which grassroots sport can flourish.

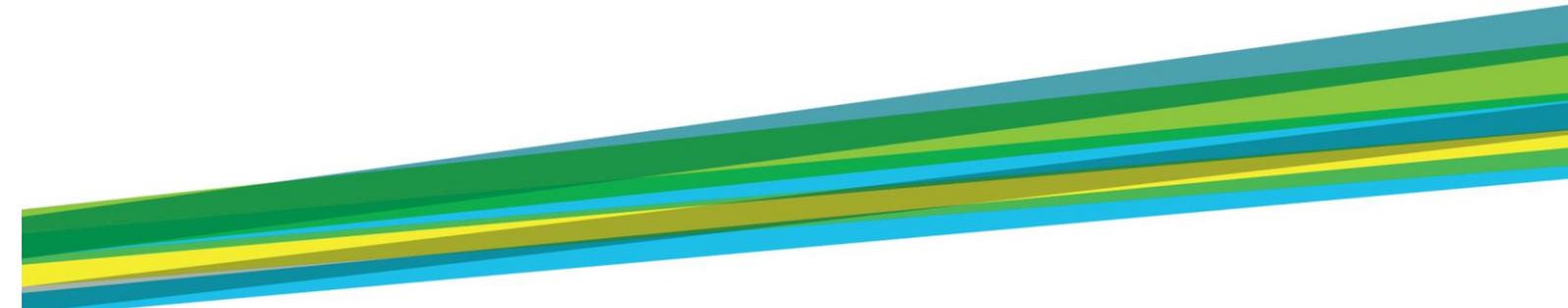
Comments on the proposals

Our members provide a network of approximately 150,000 grassroots sports clubs across the country with some 8 million regular participants. Grassroots sports clubs play an important role within their communities by providing opportunities for local people to participate in a wide variety of sporting activity and by acting as social hubs which bring the community together. Importantly, grassroots clubs are not businesses – they are not-for-profit organisations run by volunteers and any surpluses, if they are generated, are reinvested in the club's sporting offer. For many grassroots clubs, business rates can comprise a significant sum despite the fact that they do not generate a profit.

In this context, we are particularly concerned by the inclusion of the following proposals:

- To introduce fees for making an appeal (paras 15-17) and;
- To restrict the grounds on which the Valuation Tribunal of England (VTE) can order a change to a valuation to those where a valuation is 'outside the bounds of reasonable professional judgement' (paras 30-31).

In our view, the introduction of fees (even at a discounted rate) would prevent many small, not-for-profit grassroots clubs from being able to appeal potentially significant increases in their rates bills



as a result of revaluation. For many grassroots clubs, steep increases in rates bills can threaten their financial viability and it therefore does not seem fair to introduce fees in order for such organisations to appeal what is, ultimately, an assessed tax.

Similarly, we do not agree with the proposal to limit the basis on which the VTE can order a revaluation to situations where a valuation is 'outside the bounds of professional judgment'. This would appear to restrict the ability of ratepayers to appeal against what may be significant increases in rates bills by providing wide discretion as to what constitutes the scope of 'reasonable professional judgement'. As already noted, not-for-profit grassroots clubs do not have access to the financial resources and expertise of larger businesses and so will not be in a position to challenge any decision not to order a revaluation on this basis. This could result in grassroots sports clubs being faced with rates bills that are acknowledged to be too high for an extended period with no effective recourse to appeal.

**Sport and Recreation Alliance
October 2016**