

## Playing the Game – tax breaks for community sport

\*Note: This article is reprinted from NAVCA Circulation

**Dominic Goggins**, Fiscal and Regulatory Officer at the Central Council for Physical Recreation explains how local sports clubs have saved £millions by registering as Community Amateur Sports Clubs.

The value that our local sports clubs bring to our communities is enormous, from promoting healthy and active lifestyles to improving community cohesion and quality of life. Amateur sport is also a major part of the voluntary sector, accounting for 26% of all community volunteers.

### **Feeling the pinch**

Despite this, our local clubs are suffering. Like us all, they are feeling the affects of the recession, but ever-increasing financial and administrative burdens such as music licences and water drainage charges mean they have been hit harder than many other types of organisation. In fact, Central Council on Physical Recreation (CCPR)'s 2007 Sports Club Survey (the biggest survey of its kind ever undertaken) revealed that more than half of all our local clubs are either operating at a deficit or only just breaking even. Worrying information, particularly from a survey carried out before the recession started.

Perhaps the most worrying thing about these threats to community sports clubs, is that the only vehicle through which an 2012 Olympic legacy of increased participation can be delivered, is creaking.

How do we safeguard these clubs in the face of increasing burdens and bleaker economic circumstances? How do we support the volunteers who remain dedicated in spite of the fact that more of their time is now spent on administration than coaching? A good place to start is to encourage local community sports organisations to consider registering as a Community Amateur Sport Club (CASC). By supporting clubs to achieve CASC status, local infrastructure organisations can provide significant help to community sport, and make a contribution to achieving an environment for a thriving third sector.

### **Charitable value**

The CASC scheme was set up by the Government in 2002, when it delivered on a commitment to recognise the charitable value of amateur sport in the tax system while accepting that charitable status was not appropriate for every

club. The CASC scheme was therefore designed to give amateur sports clubs parity with charities, and a number of tax breaks are available. They include:

- 80% mandatory business rate relief. Local authorities often choose to offer up to 100% relief to clubs at their discretion.
- The ability to raise funds from individuals under Gift Aid. A registered CASC can reclaim up to £28 in tax for every £100 donated.
- CASCs are exempt from Corporation Tax on profits from trading activities if their trading income is under £30,000 pa.
- Profits derived from property income are also exempt for CASCs if gross property income is under £20,000 pa.
- CASCs whose income does not exceed these thresholds will no longer be required to complete an annual Corporation Tax return.

More than 5,000 clubs have registered as CASCs since 2002, and Deloitte estimate that the scheme has saved more than £50m for those involved. Any amateur club that is open to the whole community is able to register as a CASC and share in these benefits. The only requirement on spending the money saved is that it has to be reinvested in the CASC, for instance on improving facilities and coaching.

CCPR has been a champion of the CASC scheme since it was created, and established the CASC Development Forum. The Forum brings together central and local Government, Sport England and other key stakeholders.

### **Looking for improvement**

In its current form, the benefits favour property-owning clubs. CCPR and the CASC Development Forum are working to persuade the Government to improve the scheme by allowing CASCs to claim Gift Aid on junior membership subscriptions through our Subs for Clubs campaign. This would fulfil the scheme's potential by securing vital, sustainable funding for clubs in the years ahead.

With or without these improvements, the CASC scheme is a real asset for community sport and it is important that clubs are aware that this option is available to them. Woodford Rugby Union Club is certainly grateful for it. A new pavilion built in 1994 left them £200,000 in debt, long before the ability to raise £45,000 through Gift Aid. They will now celebrate their 80th anniversary debt-free, which was unthinkable before the CASC scheme was created. Club representative David Shepherd glows about the scheme.: "It is simple to administer. Staff at the Her Majesty's Revenue and Customs are genuinely interested and helpful in dealing with queries and providing solutions...I would thoroughly recommend it to other clubs".

*The CASC scheme was designed to give amateur sports clubs parity with charities, and a number of tax breaks are available to clubs who register with HMRC.*



To find out more about the CASC scheme, and for information on how to register, please visit [www.cascinfo.co.uk](http://www.cascinfo.co.uk), the definitive CASC resource.

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