

Rates relief to continue for arms length bodies

Charity relief upheld for community venues.

The Scottish Government has decided that leisure and cultural venues currently run by council arm's-length bodies will continue to benefit from charity relief from non-domestic rates.



The Finance Secretary on a visit to the newly built Royal Edinburgh Hospital the day ahead of delivering his first budget in 2016.

After consultation with stakeholders, Finance Secretary Derek Mackay yesterday confirmed that The Scottish Government will not be accepting the recommendation of the Barclay Review to end the benefit.

This means that bodies such as Edinburgh Leisure will no longer be under threat of having to pay rates in future years. But there are still proposals in the council's draft budget plans to reduce funding to Edinburgh Leisure by 1% and to introduce maintenance charges for council-owned football pitches which are used and hired out by Edinburgh Leisure. This latter move might net the council £375,000.

Across the country local authority arm's-length external organisations (ALEOs) currently providing important leisure and cultural facilities will continue to benefit from reduced rates to support their activities.

Mr Mackay also announced he will take steps to offset the charity relief benefit to councils from any new ALEO expansion in future.

The Cabinet Secretary said: “We are committed to an active and healthy Scotland with a vibrant cultural life and we will continue to support local authorities in providing affordable ways for their communities to take part in culture and leisure activities.

“In my response to the Barclay Review I made clear that this was a recommendation that I wished to engage on before coming to a conclusion. In these discussions I have heard a strong and consistent message about the importance of this benefit to sports and leisure facilities and to keeping the costs of these services affordable especially in disadvantaged and vulnerable communities.

“As a result I can confirm that the rates relief will remain in place for qualifying facilities operated by council ALEOs.

“However I am aware that some councils are planning to increase the numbers of ALEOs and the number of facilities no longer paying rates. It is my intention to mitigate against this by offsetting any further charity relief benefit to councils to deter future ALEO expansion.”