

Corporate Contributions to Grassroots Sports: where is the goal?

OMB

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The consultation seeks input on what contributions should attract tax relief, how they should be routed and what reporting requirements might be appropriate.

The Treasury's consultation document, *Corporate Contributions to Grassroots Sports*, is refreshingly brief and simple with only eight questions. It is a stage one consultation to set out objectives and identify options. This gives the greatest opportunity for responses to influence policy.

In his foreword, the financial secretary does not shy away from the fact that the government is looking to the private sector to support grassroots sports because of pressure on public finances. The point is developed in the introduction which notes: 'The government wishes to encourage sports clubs to fully exploit the potential of alternative income streams.' That does, however, beg the question: why should only corporate contributions be considered for a privileged tax status?

In brief, the consultation:

- asks which sports should be eligible;
- asks how grassroots sports should be defined;
- seeks evidence on the nature and level of contributions now being made to grassroots sports either by national governing bodies (NGBs) or companies (ignoring the possibility of non-corporate donors);
- asks what should be included within the eligible purposes for contributions (apparently envisaging some tight ring-fencing);
- provides two alternative models for contributions – the first requiring all contributions to be routed through an NGB and the second permitting direct contributions from donor company to the intended recipient but raising a question as to the definition of eligible recipients;

- asks what reporting requirements should be placed on donors and recipients (without indicating to whom such reports should be made – is that a function that the NGBs might be prepared to take over from HMRC?); and
- raises the possibility of payments below a specified monetary limit being exempted from the reporting requirements.

Overall, it is unclear whether the Treasury has a clear perception of what might be the typical monetary value of a contribution or what might be a typical donor company (there is no obvious exclusion of property or investment companies) or indeed what might be a typical eligible grassroots recipient. On the latter point, however, the document notes that some elements of the community amateur sports club (CASC) scheme rules might be appropriate. It also notes the need to exclude significant personal benefit to the contributor. This might conjure up images of all the track-suited limited companies that are regularly seen at the local trampoline and unicycle club and brings us back to whether qualifying contributions really need to be restricted to corporate donors.

The ATT is to submit a response to the consultation. The closing date for submissions is 15 June. Send any comments to atttechnical@att.org.uk no later than 10 June.

The Treasury consultation document can be found on the [GOV.UK website](https://www.gov.uk).