

September 2017

Barclay Review and Leisure Trusts

In Briefing 88 we [outlined](#) the recommendations of the Barclay Report on the reform of the non-domestic rates system in Scotland. One of the recommendations was to end the tax exemption for arm's length organisations, typically leisure trusts.

UNISON warned when these organisations were established that tax avoidance was not a sound basis for public service reform. However, most councils went ahead on the basis of the saving and in response to austerity cuts. In principle, we would not therefore oppose the ending of this exemption, but only if the Scottish Government compensated councils for the cost. The Barclay Review is supposed to be cost neutral and this cannot be the case if it leads to additional costs for councils or cutting public service leisure services. The cost to councils could be as much as £45m.

The Cabinet Secretary for Finance has announced that he intends to implement most of the recommendations of the report. However, he intends to consult further on this specific recommendation. He said:

“The recommendations that require further consideration and engagement are those on removing charity relief for certain recipients, including arm’s-length external organisations, independent schools and university accommodation; on reforming relief for sports clubs, empty properties and properties in active occupation; and on the levying of rates on parks. On each of those areas, I will continue engagement to fully understand the impact and any wider implications and possible unintended consequences, before outlining my position in the implementation plan that I propose to publish later this year.”

The employers' organisation, Sporta Scotland, has published a [statement](#) urging the Scottish Government not to implement this recommendation. While we may not agree with them on the alleged wider benefits of trusts, they make valid points about the implications for sports and leisure facilities across Scotland. In particular, sports facilities have important health benefits, a point we made in evidence to the Scottish Parliament's Health and Sport Committee last week. Leisure trusts often also include libraries, who make an important contribution to bridging the attainment gap in education.

Both of these examples show how this cut undermines wider Scottish Government policies.

Branches are therefore asked to consult members in leisure trusts to identify the likely impact of these cuts locally. Details should be sent to Dave Watson (d.watson@unison.co.uk)

Based on these responses we will make further representations to the Scottish Government.

For more information please contact UNISON's Bargaining and Campaigns team on 0141 342 2811, or email d.watson@unison.co.uk

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