



Northern Ireland  
Assembly

Committee for Finance

# OFFICIAL REPORT (Hansard)

Non-domestic Rates Valuations  
(Coronavirus) Bill: Irish Football Association;  
Ulster GAA; Ulster Rugby

6 December 2021

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Keith Buchanan (Deputy Chairperson)  
Mr Pat Catney  
Mr Maolíosa McHugh

**Witnesses:**

Mr Graham Fitzgerald	Irish Football Association
Mr Patrick Nelson	Irish Football Association
Mr Brian Mallon	Ulster GAA
Mr Brian McAvoy	Ulster GAA
Mr Stephen McGeehan	Ulster GAA
Mr Jonny Petrie	Ulster Rugby
Ms Audrey Robinson	Ulster Rugby

**The Deputy Chairperson (Mr K Buchanan):** I welcome via StarLeaf Patrick Nelson, chief executive of the Irish Football Association (IFA); Graham Fitzgerald, finance director at the Irish Football Association; Jonny Petrie — you can clarify whether I have pronounced that right, Jonny — chief executive of Ulster Rugby; Audrey Robinson, head of finance and operations at Ulster Rugby; Brian McAvoy, chief executive of Ulster GAA; Stephen McGeehan, Casement Park project sponsor and Ulster GAA; and Brian Mallon, head of finance, human resources and business development at Ulster GAA. Thank you for making yourselves available at such short notice.

We have invited you to the meeting in order to hear your views on the Non-domestic Rates Valuations (Coronavirus) Bill. The Bill will remove largely anything that relates to the pandemic as the basis of appeals in respect of business rate valuations. It will be backdated to 1 April 2020. Please take the next 20 minutes or so, between you, to tell us what you like or dislike about the Bill. Perhaps you could tell us how you would like to see it amended or how you might like to see any supporting finance from the Department be spent.

We will have an opening statement of no more than five minutes from one representative from each organisation, and everyone else can answer questions. If you are content, we will begin with the IFA, then the GAA and then Ulster Rugby. You were drawn in that order earlier. I remind you that the session will be reported by Hansard.

**Mr Patrick Nelson (Irish Football Association):** Thanks, Deputy Chair and Committee, for giving us the opportunity to contribute, albeit at very short notice. We heard about this meeting last Thursday evening. You have already introduced Graham Fitzgerald. I hope that he is on the call; I can see only myself and the Committee members. Graham has been our finance director for four years, and I have

been chief executive officer of the Irish Football Association for twelve and a half years, so we both come to this with some experience.

I will get straight to the point: we have not had a chance to scrutinise the Bill. However, I heard the comments of some of the contributors this afternoon regarding the removal of appeals. That is something that would cause me concern in any environment. We wanted to take the opportunity to speak to the Committee because, in our opinion, the non-domestic rates system in Northern Ireland does not cater appropriately for the regional stadia that are being built. Two have been built so far — Kingspan and the National Football Stadium at Windsor Park — and, of course, one is still to be built, which is Casement Park. The building of each of those was planned through the Department for Communities regional stadia programme, and the rates system does not really cope with the stadia.

That matter first became apparent to us during our building process back in 2015. I remember meeting, for the first time, the late Ian Maye who was then a new deputy secretary at the former Department of Culture, Arts and Leisure (DCAL). I discussed the issue with him in 2015, when we were still in our old Windsor Avenue offices, so it was a long time ago. My colleagues from GAA and rugby might touch on this, but the original business case, from 2011, to build the National Football Stadium as part of the regional stadia programme was signed off by DCAL and the Department of Finance and Personnel, as it was called then. It was estimated that our annual rates bill would be just over £100,000 a year, based on a NAV of about £170,000 a year. The 2015 list has our NAV at £495,000, with Reval2020 lifting that to £585,000. As you can see, we are paying significantly more in business rates than was ever envisaged by ourselves or our government funders, which is why we wanted to talk to you today.

Land and Property Services (LPS) used what is called the contractor's principle for calculating rates for the National Football Stadium and other stadia. That principle uses the capital cost of build as the starting point, and it does not discount the NAV adequately for under-utilisation or excess capacity, which needs to be built into stadiums and which, in rates terms, is called "superfluity". That is often likely to be present in a building such as a sports stadium, which is built to hold a capacity crowd on a relatively small number of occasions each year.

I know that we are often keen to compare with what is happening in GB. Sports stadia in GB are rated according to different mechanisms from those here in Northern Ireland. Case law is very well established in GB in this area. For those of you who are Scottish football fans, one of the leading cases is that of Heart of Midlothian Football Club and Hibernian Football Club, which worked together, versus the Lothian regional valuer in 1988. That case discounted rateable value based on the average, rather than the peak, usage. We certainly believe that that principle should be used in Northern Ireland. If it is good enough for GB, we do not see why it could not be used here.

Land and Property Services and other rating agencies also often use the context of hypothetical rent in order to build a rating value. That is the amount that a hypothetical client would be prepared to pay to rent a particular hereditament or building in order to calculate an approximate or appropriate NAV for rates purposes. It is completely ironic here that we have an actual rent, which is the amount that we pay to our landlords, Linfield Football Club, each year, which was negotiated in good faith with Linfield with no consideration at all given to rating purposes, yet LPS does not deem that as an appropriate rent to work from. Hypothetical is good, but actual is not so good, which is a bit strange, really.

Finally, I should say that we engaged with the former permanent secretary at the Department of Finance, Sue Gray, and in more detail with LPS over the past few years, with varying degrees of being heard on this matter. Specifically, we are in conversation with Land and Property Services over the NAV for our stadium. So, other than the references above, just by way of introduction and context, I do not propose to speak about the specific rateable amount for our stadium today, given that we are in conversation.

To finish off, before I hand over to my colleagues, I want to say that we are not a profit-making organisation. Every pound that we raise is reinvested in football in Northern Ireland. If anybody saw the launch of our social return on investment model last week, which was done in conjunction with UEFA, you will know that we really do generate significant value for Northern Ireland in terms of health, economic and social development for every pound that we have.

We think that the rating system does not work for us at this point. We think that we can make better use of the funds that ought to be made available to us as a result of a better rating system. We are pleased to take the opportunity to speak to the Committee.

**The Deputy Chairperson (Mr K Buchanan):** Thank you. We will hear from Brian next.

**Mr Brian McAvoy (Ulster GAA):** Rugby is coming in second and Ulster GAA will come in third.

**The Deputy Chairperson (Mr K Buchanan):** Go ahead, Ulster Rugby — Jonny or Audrey.

**Mr Jonny Petrie (Ulster Rugby):** Thank you, Chair and Committee members, for inviting us. I am joined by Audrey Robinson, who is our head of finance, and who has been at Ulster Rugby for a number of years.

The approach that we have taken to this matter is largely very similar to the way in which our friends at the IFA and GAA have come at it. Over a number of years, since our stadium was developed, and redeveloped in 2014-15, we have seen our valuation of rates rise significantly. That had been scheduled, prior to COVID, to go up to £435,000, subject to a further revaluation in 2023.

It is fair to say that there was a large degree of frustration at the time of the 2020 revaluation, when our valuation rose by the best part of £100,000 to that level of £435,000. We have serious concerns about the direction of travel, looking ahead to 2023, as there does not appear to be a clear rationale for stadia arising out of the regional stadia programme, as Patrick referred to there.

As with the other governing bodies, Ulster Rugby is a not-for-profit organisation, so everything that we make and all the income that we generate is invested back into the growth of the game. For us, it is vital that we have a successful professional team at the top end of the game, but, moreover, that we are able to foster participation and drive growth of the game at domestic levels, both from a health and well-being perspective and from a social inclusion perspective. Our increasing rates only mean that we have less money that we can reinvest in the development of the game.

That is clearly further exacerbated by the COVID period, which has been extremely challenging for all sports, not least Ulster Rugby, with revenues significantly impacted by crowds not coming through our doors. We have been very grateful for the support of the Executive in giving us rate relief for that period, but we have concerns about the sustainability of our organisation and of our sport as we look ahead at a picture of increasing rates.

As Patrick mentioned, and it is not to cover old ground or repeat exactly what he said, when we look at stadia across in Great Britain that have similar capacities and similar build costs to us at the Kingspan stadium, we feel that the rates that we have to pay at the moment are comparatively punitive. That is across a number of different sports. We also look to the South. In the Republic of Ireland, as part of an all-Ireland governing body in the IRFU, we have rates that are hugely more punitive than those charged to the three provinces that we compete alongside. When we have that, in conjunction with the fact that our ticket sales are subject to VAT, which is not the case in the South, we have a double whammy of costs that we have to bear that the other provinces do not. Similarly, compared with GB, we have rates that are in excess of what other sports teams, with whom we are trying to compete, have to bear.

As Patrick rightly said, when referring to the business case, we were in a similar place with our business case for the Kingspan stadium. The rates in the business case were in the region of £120,000. Although we built into that an element of rising rates over a period of time, they are more than double the amount that we had set out in that original business case.

We are asking that a sensible approach be taken and that regional stadia be dealt with in an appropriate way and looked at in a reasonable fashion. All we want to do is try to reinvest our moneys back into the growth of sport for good social purpose. It becomes an increasing struggle to do that, particularly at the back of a COVID period, when the sustainability of sports clubs and governing bodies is increasingly difficult.

**The Deputy Chairperson (Mr K Buchanan):** Thank you, Jonny. Brian, would you like to address the Committee?

**Mr McAvoy:** My camera seems to be buffering. I do not know whether you can see me, but I think that you can hear me.

**The Deputy Chairperson (Mr K Buchanan):** We can hear you, but we cannot see you, but that is fine.

**Mr McAvoy:** That is a good thing.

At the outset, I thank the Committee for providing Ulster GAA with the opportunity to present evidence today, along with our colleagues from the Irish Football Association and Ulster Rugby. I am Brian McAvoy, CEO and provincial secretary of Ulster GAA, and I am joined by my senior staff team colleagues Brian Mallon and Stephen McGeehan.

The issue of non-domestic rates impacts on all our clubs that are situated within the jurisdiction of the NI Executive at a community level. Many of our clubs are recognised as community amateur sports clubs (CASCs) and are therefore eligible for rate relief from the local authority, for which we are grateful. We wish to place on record our thanks to the Minister and the Department for the additional relief provided last year at the outset of the coronavirus pandemic. However, we face significant challenges at county and provincial level due to the 2019 re-examination of the NAV for the rates. As a provincial governing body, we, like our county committees, are not clubs and cannot therefore register as a CASC. Given that we were categorised among the 74,000 local business premises reviewed at that time, the annual rate costs at our county venues have soared dramatically. I will give you two examples. The rates for our county grounds in Newry and Omagh have doubled in the past two years — in fact, Omagh's have more than doubled.

From our close working relationship with our colleagues from Ulster Rugby and the IFA, we understand the implications for modern, new stadia, with appropriate ancillary facilities, are not good. The situation is poor, as our colleagues outlined, given the increase in their rates from 2011-12 until now. In both cases, their rates are approaching half a million pounds. Unfortunately, we are not as far down the road with Casement Park, but if the same criteria were applied to Casement Park, given the size of the stadium — a GAA pitch is naturally bigger than a soccer or rugby pitch, so we will be dealing with a 34,000-capacity stadium, as opposed to one half that size — you can imagine what our NAV would be. It certainly will not come in under £500,000. It will be much more than that, and that will be a critical situation for us.

The NI Executive have prioritised the regional stadia programme and the value that they place on the social, economic and health benefits of sport. Indeed, a key factor in rates valuations now is the assessment of the commercial value, which is determined by the valuers. I want to make two points on that. First, football stadia are not like commercial enterprises. Their revenue-generating capacity can only really be realised, in the main, when games take place. Games happen quite infrequently, but it does not appear that any allowance has been made in the rates valuations for the many non-usage dates, which is a totally unfair position. As Patrick outlined in his evidence, that is what is known as superfluity, and he referred to the Edinburgh situation with Hearts and Hibs a number of years ago. Secondly, as Jonny said, we pay VAT on the people coming through the gates, so we are, in effect, double-taxed: on the commercial side and on the number of people attending our games. It is a double whammy.

The GAA is an all-island organisation, and we look with envy at our counterparts in the Republic. As Jonny said, not only are they not charged any VAT on people coming through the gate but their rating policy looks much more favourably on lands dedicated to sport and recreational activities than is the case in the North. Of course, in England and Wales, local authorities have discretionary powers that they can apply to sporting bodies to enable them to get enhanced rate relief. No similar mechanism applies here, unless you are a CASC.

Each of the three sporting bodies represented at this evidence session were invited by the Executive, over a decade ago, to take part in the regional stadia programme. Rates valuations from a decade ago are, as you heard, very different from what they are now. Given the rise in the NAV, it seems as though we are being penalised unfairly for being part of a Programme for Government initiative. We are an amateur, not-for-profit sports organisation. We reinvest about 85% of our total income back into our clubs, through coaching initiatives, health and well-being projects, social capital projects and, indeed, capital grants. Coronavirus has impacted on all of us. Some who would have been regular patrons at our games are a bit reluctant about returning. They are still worried about the effects of the pandemic. That will, undoubtedly, continue to impact on our revenue streams for the foreseeable future.

Moving forward, we believe that the regional stadia programme needs to be treated as a separate category, and the net rateable valuation assessed in a fair and equitable manner. We find it very

difficult to comprehend why we are being treated so differently from our counterparts with similar-sized stadia in GB and the ROI.

As the Bill goes through its Committee Stage, albeit in a fast-track manner, we ask that further conversations are held with the sporting fraternity, with a view to putting in place bespoke exemptions for stadia that fall under the regional stadia programme, and, indeed, larger sports stadia more generally. As Jonny said, we invest our gate receipts back into our clubs. We want to continue to do that, but, with large rates, that would be severely impacted.

On behalf of Ulster GAA, I thank the Finance Committee for giving us the opportunity to present to you today.

**The Deputy Chairperson (Mr K Buchanan):** Thank you, Brian, and Patrick and Jonny before you. Did your three organisations receive the two years of no rates to pay, ultimately, until April 2022? That is the 24-month holiday, we will call it.

**Mr Nelson:** Yes. I can speak for us. We did receive that holiday.

**The Deputy Chairperson (Mr K Buchanan):** Jonny and Brian?

**Mr Petrie:** Yes, we were the same and very grateful for it. It was crucial to getting us through the COVID period.

**Mr McAvoy:** As Casement Park is not being used, unfortunately, that did not apply to us.

**The Deputy Chairperson (Mr K Buchanan):** Brian, is Casement Park classified as vacant?

**Mr McAvoy:** Yes.

**The Deputy Chairperson (Mr K Buchanan):** OK, so you had a rates bill.

**Mr McAvoy:** There have been no games in Casement Park since 2013. Eight years.

**The Deputy Chairperson (Mr K Buchanan):** All your submissions refer to the model and the way that rates are calculated for the three stadia. Obviously, we can look back at Hansard with regard to cost build. I think that it was you, Patrick, who said that your NAV was going to be £170,000 at the start and jumped to £585,000 in 2020, which is a massive increase. That is slightly different from what we are talking about today, but, to be fair, we will put that in the report that we are going to feed back to the Department.

What are your thoughts on the fact that, theoretically at the moment, from April 2022, you are going to have a rates bill for another year before the revaluation kicks in, in April 2023, with no method of appeal? That is the crux of this, although there are other issues in the Bill. Theoretically, you are going to get a rates bill in April/May next year for the normal amount. Let us call it normal if it stays the same. However, if the Bill goes through, you will have no method of appeal on the basis of coronavirus. Obviously, if there is coronavirus and your place is not operational, that will have a big impact. What are your thoughts on that? We are effectively talking about the year before Reval2023 kicks in.

**Mr Nelson:** From an Irish Football Association perspective, that would be quite perverse; there are very few avenues in life where there is no possibility of an appeal. If any of us in our sports are, shall we say, over-exuberant at the weekend and end up getting a yellow or red card from our referees, we always have an appeal system whereby the decision, suspension or fine can be looked at again. Of course, in any court system, there is an appeal system. We would find it very strange that LPS would, effectively, be able to make itself judge and jury in a situation like that. In general, we feel quite cold about that idea.

**Mr Petrie:** Our position on that is the same as the IFA's. Coming off the back of the 2020 valuation, there were a number of concerns that have grown over time. Looking ahead to 2023, we wish for a formal process to petition and engage in meaningful and productive conversation to get to a resolution. If that were removed, it would seem unfair from our perspective. We share that view with the IFA.

**Mr McAvoy:** We are in total agreement with our colleagues in Ulster Rugby and the IFA. While it does not apply to Casement Park, a lot of our county grounds are in exactly the same position. It is almost a denial of democracy, is it not, if you do not have the right of appeal?

**The Deputy Chairperson (Mr K Buchanan):** You know, gentlemen, that 1 October 2021 is the antecedent date for the revaluation that will come out in April 2023. You will be responding to that, and I presume that you will put the information that you gave us earlier, or something similar to it, into your response?

**Mr McAvoy:** Yes.

**Mr Petrie:** Yes.

**Mr Nelson:** Yes.

**Mr Graham Fitzgerald (Irish Football Association):** Absolutely.

**The Deputy Chairperson (Mr K Buchanan):** We have two topics here. We are talking about the Bill, and that is the crux of the debate, but your organisations are concerned about the method —

**Mr McAvoy:** Speaking for Ulster GAA, we were not initially included in the stakeholder list for the consultation. I do not know about my colleagues in Ulster Rugby and the IFA. I do not know where the fault lies for that, but you would think that such a major organisation should have been a listed consultee.

**The Deputy Chairperson (Mr K Buchanan):** Are you referring to the consultation on the Bill, Brian, or to LPS communication on rerating?

**Mr McAvoy:** Both. The first we heard of the Bill was when we were notified by the Committee Clerk on Thursday evening.

**The Deputy Chairperson (Mr K Buchanan):** OK. I have no more questions. Do colleagues have any other questions? No. Patrick, Graham, Jonny, Audrey, Brian, Stephen and the other Brian, thank you very much. I appreciate the information that you have given us. We will go away and deliberate, and we will take into account your points about the specific method used to calculate your NAV. We will put that in our report. Thank you very much. I appreciate your time.

**Mr McAvoy:** We appreciate that. Thank you very much.

**Mr Fitzgerald:** Thank you.

**Ms Robinson:** Thank you.