

Disability Project Parish Grants Award Scheme

Guidance note on VAT rating for accessibility works

Church leaders and treasurers will be familiar with the Listed Places of Worship grant scheme for VAT relief on specific works on listed buildings.

<https://listed-places-of-worship-grant.dcms.gov.uk/>

There is an additional provision for VAT relief for works specifically relating to accessibility for disabled people on buildings owned by charities. This guidance note explains the two provisions and how to investigate whether these apply to your project.

The relevant document will be referring to is called VRDP11050 and can be found at this link:

<https://www.gov.uk/hmrc-internal-manuals/vat-relief-for-disabled-people/vrdp11050>

VAT relief on ramps and doorway widening

Item 9 on the document referred to above specifies that “*constructing ramps or widening doorways or passages for the purpose of facilitating his entry*” in buildings owned by charities is **zero-rated for VAT**.

There is no mention of lifts in this context: the relief applies only to ramps/doorways.

Eligible buildings are those owned by the charity, and so for our purposes this will include both the church and church hall.

VAT relief on accessible toilet provision

Item 12 in the document specifies that “*the supply to a charity of a service of providing, extending or adapting a washroom or lavatory for use by disabled persons in a building, or any part of a building, used principally by a charity for charitable purposes*” is **zero-rated for VAT**.

Eligible buildings are those used mainly for charitable purposes; in our context this generally means the church building, but not the church hall, as this is often used for income generation.

Items 10 and 11 also cover provision of an accessible toilet in different contexts, and I have noted that some with experience of dealing with VAT affairs have mistakenly assumed these are the only provisions. Therefore in your conversations, you may need to be ready to quote chapter and verse, gently asserting that the “day-centre” clause at item 11 is not the relevant zero-rating clause here.

How to benefit – what to do

Our Tax Management team have given us this guidance:

“In agreeing this treatment, the first discussion should be had with the supplier of the works. They are the ones responsible for the invoicing and are the ones who will zero-rate the invoice if they feel comfortable doing so. They may require a signed declaration saying the receiver is an eligible body qualifying for zero-rating.”

If your parish is an “excepted” not a “registered” charity, you can download the certificate of charitable status at your parish’s page on A Church Near You, at the “More Information” tab.

There is no guarantee that your contractor will agree to the treatment of the works as zero-rated. There may be specific reasons to do with their own setup for VAT (eg using a “flat-rate scheme”), or they may argue that the building or works are not allowable. The dialogue is mainly between yourself and your contractor; the tax office will not engage at this level. We hope that this guidance note and link to the HMRC clause will assist in this negotiation.

We would encourage you then to have this conversation with your suppliers requesting zero-rating for VAT for those parts of your project which you believe are eligible, and if agreement is gained, this may contribute to reducing your project costs.

Questions

The Disability Project Team are not tax experts, however we may be able to seek to gain general guidance from our Tax Management team in some cases.

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