



VAT Recovery Schemes

Following changes to the Listed Places of Worship Grant Scheme on 1 October 2012, VAT on both repairs and alterations to listed church buildings is payable. **The Listed Places of Worship Grants Scheme** make grants towards the VAT incurred in making repairs and carrying out alterations to listed buildings mainly used for public worship. If your building is listed, and your works are eligible, then you may be able to claim a refund of the VAT incurred as part of your project. The scheme has a fixed annual budget which is advertised on the LPOW Grants Scheme website.

It is thought that the budget will enable full compensation for claims, although in the unlikely event that this proves not to be the case, advanced notice will be of any cap or changes to the payment <http://www.lpwscheme.org.uk/>

Churches which are not listed have to pay the full rate of VAT, as was the case before October 2012. The scheme also only applies to the place of worship itself, so VAT is payable on works to churchyard walls, church halls etc.

Zero-Rate: Although the zero-rating for alterations has been removed, certain works (such as those relating to improvements for disabled facilities) may still be able to be zero-rated, whether the building is listed or not. In addition, works such as those to improve energy efficiency may attract a lower rate of VAT.

NB: It will be the responsibility of the contractor to determine the VAT liability of the work they undertakes and, if he/she is in doubt in specific areas, he/she should contact HRMC for advice. PCCs can also use the number below should they wish to obtain further general advice about this matter www.hmrc.gov.uk or 0845 010 9000 (National Advice Line for queries about VAT).

FAQs

Q: Is there a minimum threshold?

A: Yes, each application is treated in isolation so must achieve the minimum £1,000 threshold. If your retention is likely to be under this amount, we would advise that you retain the final application until this invoice can be included. Note that invoices must be less than 12 months old. However, from 1 October 2013, each listed place of worship will also be allowed to submit one claim using invoices with a value of less than £1000, but more than £500 (excluding the VAT paid) in any twelve month period.

Q: Can I submit invoices older than 12 months?

A: No, invoices in excess of 12 months old will be rejected as ineligible.

Q: Can I apply if I haven't paid my VAT invoice?

A: No. You must have paid your VAT invoice prior to applying for grant under this scheme.

Q: How do I determine whether the works are eligible?

A: The LPWGS has an online checklist setting out the general principles of which costs are eligible under the scheme, and is intended as guidance only. Please note that this is not an exhaustive list as there may be areas that we have overlooked. Final decisions will be at the discretion of DCMS.

Q: How do I submit my application?

A: You can download an electronic version of the application form and either:

- a) email the form (together with electronic copies or scans of the invoices and supporting documentation)
- b) email the form (the copy invoices and supporting paperwork are sent separately by post)
- c) print off the form (attach copy invoices and supporting paperwork then submit all by post)
- d) download the form, complete it by hand (attach copy invoices and supporting paperwork then submit all by post)