

Details of the New Look Listed Places of Worship Grant Scheme (LPWGS)

I am writing to update you about changes to the Listed Places of Worship Grant Scheme released last week.

Changes made to the scheme after 1 October 2012

The Listed Places of Worship Grant Scheme was established in 2001 to provide grants towards VAT paid on repairs and maintenance to listed buildings that are used principally as places of worship, including churches.

As part of Budget 2012, the Government announced the withdrawal of the zero rate of VAT for approved alterations to listed buildings, effective from 1 October 2012. It was announced at this time that the Listed Places of Worship Grant Scheme would be extended to enable listed churches undertaking alteration works to receive a grant from the Listed Places of Worship Grant Scheme to compensate them for any money lost because of the VAT changes. The extended scheme will incorporate repairs, maintenance and alterations to listed places of worship and will become operational on 1 October 2012.

In the light of requests from groups representing listed places of worship, the extended scheme is designed to be as simple as possible with the same eligibility criteria applied for both alteration and repair and maintenance works. Claimants will use one application form for both kinds of work and will not be asked to identify whether a work was repair, maintenance or an alteration to a listed place of worship. Some minor changes to the scheme have been made which will come into effect on 1 October 2012. In summary:

- The scheme will return to a system of monthly payments
- Some of the restrictions on eligibility criteria on certain repair and maintenance works will be lifted
- There are some additional items added to the eligibility criteria

The following restrictions on eligibility will be lifted from 1 October 2012:

- Removal of the restrictions on claims on plumbing and electrical works, installations and supplies. Previously, the scheme restricted claims for repairs on plumbing and electrical supplies where they form part of health and safety works, deterioration due to age, were carried out at the same time as eligible works, result in an upgrade of services or were intended to improve energy efficiency. The Listed Places of Worship Grant Scheme have removed this restriction for claims on all works carried out on or after 1 October 2012.
- Removal of most restrictions on claims on works to kitchens and toilet fittings, floor coverings and handrails. Most works to kitchens, toilet fittings, floor coverings and handrails are now eligible for the scheme. Claims on furniture, shelving, noticeboard and other detachable items remain ineligible. However, where the works create new toilets or bathrooms for the disabled, such works should still be zero-rated under an existing VAT relief (see HMRC Public Notice 701/7 –VAT reliefs for disabled people). Floor coverings will be eligible only where permanent and part of the fabric of the building. This includes timber, stone, ceramic, marble or solid floors. It does not include carpets, removable tiles or decorative soft furnishings.

- Removal of the restrictions on decoration works: Previously, the scheme restricted claims on decoration where work was undertaken by choice. Decoration (including carvings, stone work, re-painting) is now eligible providing it is to the fabric of the building.
- Removal of restrictions on pews: Claims to repairs on pews were taken out of scope in January 2011. Works to pews will now be eligible from 1 October 2012.
- Removal of restrictions on asbestos removal: Previously, asbestos removal was ineligible where used to insulate pipes, heating and boilers. All asbestos removal is now eligible.

The following items will be added to the eligibility criteria:

- Claims on security and forensic systems to prevent crime: Repairs as a result of metal theft were previously eligible for the scheme, where these expenses were not met by an insurance provider. These will remain in scope and claims on the installation of security and forensic systems to prevent crime (such as specialised fixing, security cameras, marking technology, roof alarms, anti-climb paint) will also be eligible.

Some other small changes to the scheme have been made. Applicants are encouraged to review the eligibility criteria below before submitting a claim.

Transitional arrangements to introduce the extended scheme

The extended scheme comes into effect on 1 October 2012. Where works have become eligible as a result of the changes made to the scheme, The Listed Places of Worship Grant Scheme will only accept claims on these works if they were carried out on or after 1 October 2012. You may be asked to verify whether this was the case. Where works were carried out before 1 October 2012, they will be processed under the previous rules of the scheme (see LPW Guidance Revised May 2011). Where works span a period before 1 October and a period after 1 October, you may be asked to verify what proportion of the works were carried out in each period so that the appropriate proportion of the works can be dealt with under the appropriate criteria. Where the work involves an approved alteration to the buildings, the scheme will only pay where VAT has been charged

In summary do remember to reclaim your VAT for repairs, maintenance and approved alterations, but do note that your claim will only be eligible if:

1. the invoice or invoices are **worth over £1,000 excluding VAT**
2. You make your claim **within 12 months of the invoice date**
3. You use a **VAT registered contractor** and have a VAT invoice