VAT Decision Hierarchy – Community Use & Facility Hire

The Alliance School Trust · Version 1.1

STEP 1 – WHO IS THE HIRER?
Is the hirer an external third party (club, organisation, business, community group)?
NO → Outside scope (internal Trust use)
YES → Proceed to Step 2

STEP 2 – WHAT IS BEING HIRED?
Hall, classroom, meeting room or dining hall → Go to Step 3A
Outdoor area, court or playground → Go to Step 3B
Sports hall, pitch, gym or multi-use games area → Go to Step 3C

STEP 3A – HALL / ROOM HIRE
Space only provided (no coaching or managed activity) → Normally **VAT EXEMPT** (letting of land), subject to no significant additional services
School actively managing or running activity **→ VATABLE (20%)**
Additional services beyond basic caretaking (e.g. equipment, staffing, or organised activity) **→ VATABLE (20%)**
Caretaking, unlocking and routine cleaning are ancillary and ignored

STEP 3B – OUTDOOR AREA / COURT
Genuinely bare land or simple outdoor space (no markings or organised use) → Normally **VAT EXEMPT** (letting of land), subject to no significant additional services
Marked courts, pitches, or areas set out for sporting use **→ VATABLE (20%)**
Where additional services are provided (e.g. equipment, supervision, or organised activity) → **VATABLE (20%)**
Where there is uncertainty **→ VATABLE (20%)**

STEP 3C – SPORTS FACILITIES (DEFAULT POSITION)
Sports facilities include sports halls, pitches, courts, gyms and multi-use games areas
Default VAT position → **VATABLE (20%)**
Only consider exemption if ALL block booking conditions below are met [below]

SPORTS BLOCK BOOKING EXEMPTION – ALL MUST APPLY
• Supply is to a club, association or organisation (not a private individual)
• A series of at least 10 sessions
• Same activity and same venue throughout
• Hirer has no right to assign or sub-let sessions
IF **ALL** conditions met → **VAT EXEMPT**
If **ANY** condition fails → **VATABLE (20%)**

Assistance with definition of 'club':

If the activity is organised collectively, controlled collectively, and could continue without one person, it behaves like a club.

If it is run, priced and controlled by one individual, a reasonable person would not regard it as a club, regardless of the name used.

HMRC REFERENCES
VAT Notice 742 – Land and Property (letting of land)
VAT Notice 701/45 – Sport (sports facilities and series bookings)
VAT Act 1994 Schedule 9