



## UK Historic Church Buildings

The costs of the VAT charged for  
repair and maintenance work



## Heritage Jewels

- Much of the UK's varied history is expressed through its precious heritage of religious buildings
- Also of contemporary economic relevance via "heritage tourism":
  - £36.8 billion revenue in 2001 in UK
  - employing around 4.05 million jobs



## Financial Burden of VAT Rate

- In 2000 19,300 UK historic churches spent **£115 million** on repairs

- The VAT bill @ 17.5% on cost element liable to tax amounted to **£17 million**

- The loss of this money reduces the community work of churches and undermines heritage conservation



## UK Historic Church Buildings

- The Church of England has been campaigning for a change to VAT legislation to allow for a reduced rate on church building repairs for over 20 years
- In November 2000 UK Government accepted our case but was unable to change VAT rates due to European Legislation
- In March 2001 the temporary Listed Places of Worship Grant Scheme was announced by Gordon Brown





## Why are we here?

- Our case is linked to the future rates/scope of VAT in the EU.
- The UK Government has introduced an interim partial VAT reimbursement scheme and supports a permanent change at the EU level to allow the UK to permanently reduce the rate of VAT applicable to repairs carried out on historic church buildings



## Our Case

- The churches' built heritage makes a major cultural and economic contribution
- The economic contribution is via
  - Artisan trades that support conservation (labour intensive)
  - Landmarks that generate heritage tourism  
“The Heritage Dividend”
- The costs currently fall on a few while all benefit
- A VAT cut is the cheapest way of sustaining this



## Summary

- Goods and services provided for the repair and maintenance of historic places of worship should be included in any revision of the 6th VAT Directive for the following reasons:



## Summary

- A tax reduction would sustain and create specialist labour intensive employment and craft skills
- “Heritage” is a public commodity that supports the well being of the community as a whole and yet in this case these “working” buildings are funded by a few, predominantly charity, organisations
- Refurbishment encourages sustainable regeneration which results in a more effective and environmentally sensitive use of scarce resources

