

Policy and Resources Committee meeting 12th July 2023

Agenda item 8.2 – Finance – HMRC changes

Background

HMRC has recently made changes to VAT treatment of local authority leisure services, the provision of such services will no longer be treated as a business activity and therefore VAT will no longer be applicable.

Impacts on Earley Town Council

For ETC the impact will be on its provision of the hire of sports pitches (eg cricket, football and softball). Until April 2023 these were classed as a business activity and ETC charged VAT at the standard rate, this will no longer be the case. Going forwards there are two options open to ETC:

- o Continue to charge for pitches at the agreed Gross rate resulting in a 20% improvement in income to ETC for no extra cost to the Hirers,
- Or,
- o Charge a lesser gross amount to pass a proportion of the benefit to the Hirers.

Members are requested to discuss the options and **RESOLVE** on the Town Council's position with effect from April 2023.

In addition, HMRC have agreed that the VAT charged on sports pitch hires under the previous rules for the past 6 years may be reclaimed by the Local Authority from HMRC. Earley Town Council have made a claim for the 5 years to 21/22, amounting to £9,850. A further claim for 2022/23 will be submitted in due course.

SPORTS PITCH HIRE FEES - SOL JOEL PARK

	From 1st April 2023		
<u>Football Pitch Fees</u>	Net	VAT	Gross
Adult Football Fees (Includes use of Pavilion)			
Adult Pitch casual one-off games	80.83	16.17	97.00
Adult Pitch Regular Booking	63.33	12.67	76.00
Changing Rooms/Shower (stand alone)	20.00	4.00	24.00
Toilets only/hour	8.75	1.75	10.50
Junior 11-A-Side Pitch one-off games	40.83	8.17	49.00
Junior 11-A-Side Pitch Regular Booking	38.33	7.67	46.00
Junior 11-A-Side Pitch block booking of 5 or more teams	28.33	5.67	34.00
Junior 9-A-Side Pitch one off games	14.17	2.83	17.00
Junior 9-A-Side Pitch Regular Booking	13.75	2.75	16.50
Junior 9-A-Side Pitch block bookings of 5 or more teams	11.67	2.33	14.00
Mini Soccer per game	13.33	2.67	16.00
Mini Soccer Regular Booking	13.75	2.75	16.50
Mini Soccer block bookings of 5 or more teams	11.67	2.33	14.00
<u>Cricket/Softball Pitch Fees</u>	Net	VAT	Gross
(To include use of Pavilion/Changing Rooms)			
Midweek - Price per game (40 overs 1-7pm)			
Adult Pitch casual one off games	72.08	14.42	86.50
Adult Pitch Regular Booking	65.42	13.08	78.50
Junior Pitch casual one off games	34.58	6.92	41.50
Junior Pitch Regular Booking	32.08	6.42	38.50
Weekend - Price per game (40 overs 1-7pm)			
Adult Pitch one off games	101.67	20.33	122.00
Adult Pitch Regular Booking	92.50	18.50	111.00
Junior Pitch casual one off games	51.25	10.25	61.50
Junior Pitch Regular Booking	47.92	9.58	57.50
Toilets only/hour	8.75	1.75	10.50