

# Lettings and Hire Charge Policy



## **Dowson Primary Academy**

Date Approved by Governing Body: 22/03/2018

Date of Next Review: 22/03/2021

## **Lettings and Hire Charge Policy for Dowson Primary Academy**

The Headteacher will be responsible for all matters concerning lettings. Facilities will only be let where they are not needed for school purposes.

The aim of the lettings policy is twofold: to generate income for the education of pupils, and to enable the provision of community facilities which benefit pupils and their families.

No facility will be let to any person or organisation for a purpose, which in the opinion of the Headteacher is inconsistent with the aims and values of the school, as detailed in the School Lettings Procedures Document.

No letting will be subsidised from the resources provided for the education of the pupils. All hirers will be required to demonstrate to the satisfaction of the Headteacher that they have adequate Public Liability insurance to compensate in instances of hirer negligence. The Headteacher should consult the School Lettings Toolkit and or the Schools Insurance Provider as to the adequacy of the insurances in place.

Requests for lettings must be notified to the Head teacher using the Appropriate Forms as provided in the Schools Lettings Toolkit. The Head teacher will also obtain copies of appropriate insurance documents, event licences, safeguarding information and any other approvals as appropriate.

Both the school and hirer will be bound by the requirements set out in the Hire Agreement and the Summary of Conditions of Booking School Premises Document.

The school is bound by the requirements set out in the School Lettings Toolkit.

Lettings will be chargeable under one of two categories and VAT accounted for accordingly:

**Cost recovery:** this rate will apply to groups providing non profit-making facilities to the Community including pupils and/or their families, which in the opinion of the Headteacher are supportive of the aims and ethos of the school. A charge covering the full cost will be levied including energy, any additional cleaning, caretaking, an allowance for wear and tear, and administration. Where these costs can be shared between groups hiring facilities simultaneously the charge may be reduced to a level where costs are recovered;

**Income generating:** this rate will apply to all other lettings. The rate will be charged at £20 per hour for the first 4 hours per week or £15 per hour for 5+ hours per week.

The Headteacher or Academy Business Manager will work out and agree a schedule of costs for facilities, to be appended to this Policy, and will report annually to the Governors on the operation of the Lettings and Hire Charge Policy, including the pattern of costs, income generated and any suggestions for amendment to the Policy

## **Charging For Lettings – Guidance and Information**

Any lettings taking place in your school, especially outside of the normal school day will inevitably incur additional costs e.g. heating, lighting, cleaning costs, caretaker's overtime. These additional costs cannot be funded from your school budget and you must charge groups that hire your premises a sufficient amount to at least cover these costs. You may wish to add on a little extra to generate income for school funds. The guide to the law for Governors (January 2010) advises... "Overall community use must at least cover its own costs. Profits raised through community use of schools belong to the Local Authority on whose land the profits were made, but LAs may allow schools to keep the income they generate."

**Heating** – the breakdown given below shows an estimated hourly figure for heating. This figure is based on heating the whole of the school and may be reduced if you can isolate the heating system to heat just the area being used, in these cases a lower figure should be calculated based on local knowledge.

**Caretaking and Cleaning** – if more than one activity takes place at the same time, you can effectively reduce the caretaking costs of each letting, as long as the total caretaking and cleaning cost is recouped from all the groups. This could drastically reduce the cost to individual groups and encourage more use. The same can be done with heating and lighting costs where applicable.

### **Vat Guidance**

**The following is provided as guidance only and if in any doubt you should refer to your School Finance Manual and or contact your local HMRC office.**

#### **"Standard Rated" - Charges attract VAT**

Short term lettings of sports facilities (except where it meets the criteria below);

#### **"Exempt" - Charges do not attract VAT**

Letting of halls or rooms;

Letting of facilities for sport and physical recreation where the following criteria are met:

A single letting which is for a period over 24 hours and the utilising party has exclusive control throughout the entire period; **OR**

There is a series of lettings to the same person over a period of time and the following criteria are met. The letting is:

For 10 or more sessions;

For the same sport or activity;

At the same establishment;

Has an interval of at least one day and not more than 14 days between sessions;

Let out to a school, club, association or organisation representing affiliated clubs or constituent associations (e.g. a local league);

Available for exclusive use to the utilising party during the sessions;

Paid for as a whole.

There must be written evidence in the form of some mutually binding agreement or contract that the lettings will be paid for as a whole. A formal agreement, exchange of letters or an invoice issued in advance requiring payment for the sessions specified on the invoice would be sufficient evidence.

If the above criteria are not met then the letting of facilities for sport and physical education will be standard rated.

For schools that operate community Sports Centres, you should refer to the Sports Centres and VAT on Charges section of your finance manual for further information on VAT on lettings.

If in any doubt visit: [www.hmrc.gov.uk/](http://www.hmrc.gov.uk/)