

LETTING OF SCHOOL PREMISES

POLICY

Schools are responsible for establishing their own lettings policy and scale of charges. Some schools have chosen not to allow any lettings others only hire their premises out to local community groups. Others generate income from a variety of different hires such as weddings and other functions. Ultimately, it is up to governing bodies and headteachers to determine the policy for their school.

INCOME FROM LETTINGS

The Scheme of Delegation allows schools to retain income generated from the hire of premises.

SCALE OF CHARGES

Governors should establish a scale of charges to support the lettings policy. It is very important to note that **governors may not use the delegated budget to subsidise lettings**. However, it is permissible to charge some organisations more so the extra funds can be used to subsidise other users.

Costs incurred by schools may include:

- Caretaking and cleaning
- Heating and lighting
- Water
- Repairs and maintenance
- Administrative time

These costs and any others associated with letting out the school premises should be taken into account when setting the Scale of Charges. It is also important to add VAT to the charge if this is applicable.

ADMINISTRATION OF LETTINGS

Schools must record lettings in the official books provided by the LEA. There is then a formal record of the details of the letting and the price to be paid by the hirer.

The hirer and a representative of the school (normally the Headteacher) should sign the document as evidence that they agree to the terms and conditions of hire set out on the reverse.

COLLECTION OF INCOME

Wherever possible, lettings income should be collected in advance of, or at the time of hire. This improves the schools cash flow and reduces the time spent on chasing up outstanding fees. **Schools must not send out their own invoices.** If it is not possible to collect income in advance, and an invoice has to be raised, this must be done via the LEA at County Hall. Contact Control Services on 01670 533414.

Income should be recorded on the lettings form and an official receipt issued.

SPORTS LETTINGS & VAT

Normally, lettings of school premises are exempt from VAT. The only exception to this is letting of sports facilities. Lettings of facilities designed or adapted for playing sport or taking part in physical recreation is normally standard rated. Examples of sports facilities are:

Swimming pools	Dance studios
Tennis, badminton, squash and basketball courts	Sports halls or sheds
Gymnasia	Fitness rooms with fixed equipment
Cricket, rugby, hockey & football pitches	Facilities with fixed equipment such as basketball nets, wall bars, or dance mirrors

General purpose halls which only have floor markings (e.g. a badminton court in a school hall) are not counted as sports facilities for these purposes. Lettings of such halls are exempt from VAT even when used for playing sport.

The letting of sports facilities may be exempt from VAT if the letting is for a continuous period of more than 24 hours or there is a series of lets.

To qualify as a series of lets:

- the series must consist of 10 or more sessions and,
- each session is for the same sport or activity and,
- each session is in the same place and,
- the interval between sessions is at least a day and not more than 14 days and,
- the series is paid for as a whole and there is written evidence to that effect (e.g. a copy of the official letting record)

The letting of sports facilities for non sporting events such as a political or religious meeting is exempt from VAT.

The VAT Officer at County Hall (Derek Brown on 01670 533413) can provide specific help with VAT problems on request.

ACCOUNTING FOR LETTINGS INCOME

Lettings income must be banked directly into the delegated budget and not any other account.

Income should be recorded on the monthly Schedule of Collections under one of the pre printed lettings categories. If the VAT code is D, the VAT element will automatically be deducted before the net amount is credited to the schools delegated budget.

Northumberland County Council

Internal Audit

March 2001

Updated November 2005