

31 May 2011

To whom it may concern

Green Paper on the future of VAT – towards a simpler, more robust and efficient VAT system

The Historic Towns Forum is an independent membership organisation, the mission of which is to promote the prosperity and heritage of historic towns and cities. Its work is rooted in the recognised value of heritage assets to social, economic, and environmental well-being. It is the only UK-based organisation which represents all professional disciplines and sectors working in the historic built environment.

The Historic Towns Forum welcomes the opportunity to respond to this consultation. We are responding only to questions 6 and 20, where our main concerns are the continuation and extension of the potential for reduced rates of VAT for work involving historic buildings and assets, and whereby VAT rates are always lower for repairs and maintenance than for new construction.

In so doing we support fully the responses already submitted by English Heritage, the Institute of Historic Building Conservation, Europa Nostra and the Built Environment Forum Scotland.

Q6. Which of the current VAT exemptions should no longer be kept? Please explain why you consider them problematic. Are there any exemptions which should be kept and, if so, why?

We would like to see continued and extended reduced VAT rates for local services within any category of goods that have direct or indirect effect or bearing on the historic environment.

In the UK VAT on maintenance and repair of property is 20%, while new construction (including major alteration to property) is rated 0%. This acts as a major disincentive to appropriate and timely maintenance and repair to historic properties, and in effect works as an incentive to create new build or to find alternatives to maintenance and repair, such as favouring major alterations, neither of which is favourable in terms of the conservation of the built environment, sustainability of the historic environment, sustainable development, or indeed to elements of the local economy that are fostered by the historic built environment.

Q20. Would you prefer to have no reduced rates (or a very short list), which might enable member states to apply a lower standard VAT rate? Or would you support a compulsory and uniformly applied reduced VAT rates list in the EU notably in order to address specific policy objectives as laid out in particular in 'Europe 2020'?

The Historic Towns Forum believes that any building work related to the historic environment should have a zero VAT rating, or, if this is not possible, then a reduced VAT rating. We therefore support a reduced rate list that includes any activities that relate to the historic environment. We would like this to be mandatory, and that VAT rates on property maintenance and repair should always be lower than those on new build.

Yours faithfully,



Dr Noël James
Director
Historic Towns Forum