
EXPLANATORY NOTE

(This note is not part of the Order)

This Order substitutes Group 6 (Protected Buildings) of Schedule 8 to the Value Added Tax Act 1994. Amendment of the Group is necessary because of the substitution of Group 5 (Construction of Buildings etc) to Schedule 8 by the value Added Tax (Construction of Buildings) Order 1995(1). New Group 6 incorporates many of the provisions in substituted Group 5 with appropriate modifications.

The Order also makes the following changes to the Group:

- the addition of a new item 3 in Group 6;
- a definition of a dwelling in Note (2);
- a new definition of approved alteration in relation to ecclesiastical buildings;
- a clearer definition of the distinction between alterations and repairs.

Item 3 of Group 6, as substituted, introduces into the Group a provision formerly contained in item 3 of Group 5 of Schedule 8, so that the zero-rate relief for the supply of certain goods together with eligible services in the course of an approved alteration is not provided within Group 6.

New Note (2) defines when a building is to be regarded as designed to remain as or become a dwelling or number of dwellings. Thus, a protected building (defined in Note (1)) which is designed to remain as or become a dwelling must satisfy these conditions in addition to being a listed building.

New Note (6) defines what is meant by “an approved alteration”. Note (6)(a) provides that ecclesiastical buildings excluded from the requirements of the Planning (Listed Buildings and Conservation Areas) Act 1990 are entitled to zero-rate relief. Alteration to ecclesiastical buildings which require planning consent will, however, be entitled to zero-rate relief if the alterations are authorised under any provision of the Acts listed in Note (6)(c).

New Note (6) also brings a greater degree of certainty to the borderline between repairs that are standard-rated and approved alterations which qualify for zero-rating.