

## **REPORT PC26.011 Charging implications for parish land use**

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### **1. PURPOSE**

To consider whether the Parish Council should introduce charges for the use of its land for events and activities, and if so, the circumstances in which charges should apply, the level of those charges, and the associated financial and VAT implications.

This report does not seek to approve the draft Use of Council Land Policy (in Annex One), but to inform the financial framework that may sit alongside it.

### **2. BACKGROUND**

The Operations Working Group has prepared a draft Use of Council Land Policy governing the use of Council land by individuals, community groups, charities and commercial organisations.

The draft policy allows the Council to charge for use of its land and to require refundable deposits to cover damage, reinstatement costs or other liabilities arising from events. It is likely to be considered by Full Council in the June meeting this month.

At present the draft policy (and Council) has no formal charging structure. A clear framework would provide:

- Consistency and fairness.
- Protection of community access.
- Appropriate management of public assets.
- Transparency in decision making.
- Financial sustainability.

The Council has a fiduciary duty to manage public assets in the interests of local taxpayers. Whilst community use should be encouraged wherever possible, members should consider whether commercial users should make an appropriate contribution towards the costs and value of the facilities being used.

### **3. FINANCIAL IMPLICATIONS**

A charging framework could generate modest income to offset the administrative and operational costs associated with events on Council land.

The primary financial consideration is not income generation but ensuring that commercial activities do not receive an unintended subsidy from local taxpayers.

Deposits may also reduce the Council's exposure to reinstatement costs following events.

#### 4. VAT POSITION

The report's author is NOT a VAT expert. Therefore, this section must be read in that light. It does set out the Clerk's understanding of VAT rules as they apply to both Parish Councils and this report's subject matter.

Local Councils operate under special VAT rules set out in section 33 of the Value Added Tax Act 1994, which allows them to reclaim VAT on non-business activities and, subject to limits, on exempt business activities, even if they are not VAT registered.<sup>1</sup>

Unlike most businesses, which normally only must register for VAT when taxable turnover exceeds the registration threshold<sup>2</sup> local authorities are in a different legal position. In principle, making taxable supplies can create a liability to register even below the normal threshold. However, HMRC's published operational practice is not to enforce registration unless output tax exceeds approximately £1,000 per year<sup>3</sup>.

Charging for use of land does not automatically create a requirement to charge VAT or register for VAT. The VAT treatment depends upon:

- Whether the activity is business or non-business.
- Whether the supply is taxable, exempt or outside the scope of VAT.
- The precise nature of the arrangement and any services supplied.

The grant of a right to occupy or use land is often exempt from VAT. However, additional services such as power, staffing, equipment or facilities may alter the VAT treatment.

Members should note that exempt land-use charges may create a partial exemption risk. If exempt input tax exceeds HMRC's de minimis limits, some VAT may become irrecoverable and therefore represent a direct cost to the Council.<sup>4</sup>

Members should also note that the officers are currently considering when to recommend to Council to register for VAT. The internal auditor, during this year's audit visit, suggested that the Council should register for VAT in part due to the output tax on income received from advertisers in the Parish newsletter being at the £1,000 annual

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<sup>1</sup> Claims are made using the VAT126 process. Guidance is provided in *VAT Notice 749: Local authorities and similar bodies*, which explains the distinction between business and non-business activities.

<sup>2</sup> £90,000 in 2026.

<sup>3</sup> Broadly equivalent to a relatively low level of taxable income (for example around £5,000 at the standard rate).

<sup>4</sup> It is the author's understanding that where the Council makes VAT-exempt supplies (such as certain land hire arrangements), HMRC's partial exemption rules may restrict recovery of VAT on related costs. If exempt activity becomes significant, some VAT may become irrecoverable and would need to be met from Council funds.

limit. Noting that HMRC would typically expect registration to be considered where output tax approaches £1,000 per annum.

The position should therefore be monitored if event activity increases.

## 5. LEGAL IMPLICATIONS

The Council has powers to manage and regulate the use of its land and to charge for facilities and services where legislation permits.

The Council must ensure that any charging regime is:

- Reasonable and proportionate.
- Applied consistently.
- Compliant with relevant statutory powers.
- Non-discriminatory.
- Supported by a clear policy framework.

Where deposits are taken, the circumstances in which they may be retained should be clearly defined too.

## 6. RISK ASSESSMENT

Risk: Commercial users receive subsidised access to public assets.

Mitigation: Introduce commercial charging rates.

Risk: Damage to Council land or facilities.

Mitigation: Require refundable deposits and event conditions.

Risk: Inconsistent decision making.

Mitigation: Adopt a formal charging framework.

Risk: VAT complications arising from exempt supplies.

Mitigation: Ensure any charging scheme is introduced alongside appropriate VAT review and monitoring, and that specialist advice is obtained where activity levels increase or where services are provided alongside land use.

It is likely that officers will be recommending VAT registration by the end of this financial year.

## 7. OPTIONS CONSIDERED

*Option A – No charges*

Pros:

- Maximises community access.
- Minimal VAT implications.

Cons:

- No income generated.
- Commercial users may benefit from a taxpayer subsidy.

Note that this is the current situation and that the CURRENT recommendation is no change from this position until Council is VAT registered.

*Option B – Community-focused charging*

Pros:

- Supports community organisations.
- Limited VAT exposure.

Cons:

- Requires clear definitions and officer judgment.

*Option C – Tiered charging framework (recommended once Council is VAT registered)*

Pros:

- Fair and transparent.
- Consistent and defensible.
- Protects community access.
- Ensures commercial users contribute appropriately.

## 8. SUGGESTED CHARGING FRAMEWORK

### **Categories**

#### *Community*

Examples: Residents' groups, schools, charities.

Suggested Charge: Free or nominal (£25).

#### *Mixed*

Examples: Community events containing commercial elements.

Suggested Charge: £100-£300.

#### *Commercial*

Examples: Profit-making activities and external operators.

Suggested Charge: £150-£1,000+ depending on scale.

#### *Suggested Deposits:*

Small events: £100.

Larger events: £250-£500.

## 9. KEY CONSIDERATIONS

Members are asked to balance:

- (a) Supporting community access
- (b) Ensuring fair use of public land
- (c) Avoiding subsidy of commercial activity
- (d) Managing VAT and financial risks

## 10. RECOMMENDATIONS

The introduction of a charging framework would provide a fair, transparent and proportionate approach to managing the use of Council land.

The proposed framework protects community access whilst ensuring that commercial operators make an appropriate contribution towards the use of public assets.

The Committee is invited to:

- (a) Support the introduction of a charging framework
- (b) Protect free or low-cost access for community use
- (c) Apply charges to commercial and mixed-use events
- (d) Support the use of refundable deposits
- (e) Recommend to Council that, prior to implementation, the VAT implications of any charging scheme are reviewed, and that professional advice is obtained where appropriate or if activity levels increase.

# Laverstock and Ford Parish Council

## Use of Parish Council Land & Assets for Events Policy

<b>Purpose</b>	To provide a clear framework for the safe, responsible, and community-focused use of Parish Council land and assets for events
<b>Scope</b>	Employees, Councillors, General Public
<b>Date adopted</b>	
<b>Minute Ref:</b>	
<b>Previous</b>	None
<b>Next Review</b>	TBA
<b>Policy Owner</b>	Operations Working Group
<b>Supersedes</b>	None

### 1. Introduction

The Parish Council is committed to supporting community engagement by permitting the use of Parish Council land for events that benefit local residents. This policy outlines the guidelines, requirements, and processes for individuals and organisations seeking to use Parish Council land for events. The aim is to ensure that events are safe, well-organised, and do not negatively impact the local community or environment.

### 2. Scope

This policy applies to all events held on Parish Council-owned land. It covers events organised by individuals, community groups, charities, and commercial organisations.

### 3. Permissible Uses of Parish Council Land

The Parish Council land may be used for the following types of events, subject to approval:

- Community gatherings
- Charity events and fundraisers
- Sports and recreational activities
- Cultural events, fairs, and festivals

- Markets, craft fairs, and stalls

The Parish Council reserves the right to refuse permission for any event that is deemed inappropriate, unsafe, or likely to cause disruption or damage.

#### **4. Application Process**

Any individual or organisation wishing to hold an event on Parish Council land must submit a formal application at least 8 weeks prior to the proposed event date. The application should include:

- Details of the event (type, date, duration)
- Estimated number of attendees
- Contact details of the event organiser
- A site plan showing the layout of the event, including facilities, marquees, stalls, etc.
- Details of any equipment (e.g., sound systems, lighting, stages)

Applications for small-scale events may be considered and approved by the Parish Clerk under delegated authority. Applicants will normally receive a response within two weeks of submission.

Applications for larger-scale events, or events considered to present greater operational, safety, financial, or reputational risk, will be referred to Full Council for consideration. Due to the Parish Council meeting schedule, applicants should allow up to five weeks for a decision.

The Parish Council reserves the right to determine the appropriate approval route for any application.

#### **5. Requirements for Event Approval**

Event organisers are required to meet the following conditions for approval:

##### **Risk Assessment and Health & Safety Plan**

- Submit a risk assessment for the event, detailing potential hazards and mitigating measures.
- Comply with relevant health and safety legislation, including fire safety and crowd control measures.

##### **Insurance**

- Ensure there is adequate first-aid provision for the event.
- Provide evidence of Public Liability Insurance with a minimum cover of £5 million. This is essential to cover any damages or accidents that may occur during the event.

##### **Licenses and Permits**

- Obtain any necessary licenses or permits required for the event, such as a Temporary Event Notice (TEN) for the sale of alcohol, music, or performances.
- A copy of the license or permit must be submitted to the Parish Council before the event takes place.

#### Noise and Nuisance Control

- Event organisers must ensure that noise levels do not cause unreasonable disturbance to nearby residents.
- Any amplified sound must be kept within agreed limits and must cease by 10:00 PM unless otherwise approved.

#### Waste Management and Environmental Responsibility

- Organisers must provide adequate waste disposal arrangements, including recycling facilities, and are responsible for clearing the site after the event.
- Single-use plastics should be minimised, and sustainable practices are encouraged.

#### Public Access and Parking

- The event must not obstruct public access to footpaths, cycle routes, or any other public rights of way on Parish Council land.
- Adequate parking arrangements must be in place to avoid congestion and ensure safe access for emergency services.

#### Protection of Land and Facilities

- Event organisers are responsible for ensuring that the land and facilities are not damaged during the event.

#### Traffic Management and Security

- For larger events, a traffic management plan may be required, including details of road closures or diversions.
- Security personnel may be required to manage crowd control, and sufficient stewards must be available to supervise the event.

### **6. Post-Event Requirements**

Event organisers must restore the land to its original condition, including removing all temporary structures and waste.

A post-event inspection may be conducted by the Parish Council. If any damage is identified the organiser may be liable for additional expenses.

### **7. Fees**

The Parish Council may charge a fee for the use of its land depending on the nature and scale of the event.

In addition, the Parish Council may require a refundable deposit prior to the event taking place. The deposit is intended to cover any costs arising from:

- Failure to adequately clean or restore the site following the event;
- Damage to Parish Council land, property, or facilities;
- Additional waste removal or maintenance costs incurred by the Parish Council.

The deposit, or remaining balance of it, will be returned following satisfactory post-event inspection of the site.

## **8. Non-Compliance**

Failure to comply with this policy or any conditions set by the Parish Council may result in:

- Cancellation of the event.
- Refusal of future event applications.
- Liability for any damages or cleanup costs incurred.

## **9. Conclusion**

This policy is designed to ensure the responsible and safe use of Parish Council land for community events, while protecting the rights and wellbeing of local residents and preserving the land for future use. The Parish Council encourages community engagement through events but emphasises the importance of compliance with this policy to maintain a harmonious relationship with all stakeholders.

Contact Information:

For questions or to submit an application, please contact the Parish Council Clerk at:

[parish-clerk@laverstockford-pc.gov.uk](mailto:parish-clerk@laverstockford-pc.gov.uk)