

Charities: Supply, repair and maintenance of relevant goods (including adapted motor vehicles)

This Information Sheet is aimed at charitable institutions who purchase, and businesses who supply relevant goods, including adapted motor vehicles. It sets out when a charitable institution is entitled to purchase, maintain and repair relevant goods at the zero rate of VAT, and what documentation must be produced and retained to demonstrate that the goods or services qualify for the relief.

1. Introduction

1.1 What is the legal background?

Since 1981, VAT law has allowed a "charitable institution providing care or medical or surgical treatment for handicapped persons" to purchase a specified range of "relevant goods" (including motor vehicles adapted for the use of disabled people) at the zero rate. This legislation was intended to apply only to certain types of charities but its scope was extended beyond its original intention by decisions of the VAT Tribunal and the High Court. In these cases, it was held that providing suitable accommodation; providing for daily needs (not further defined by the Court); and providing a secure environment, all constituted the provision of care. If Customs had accepted this then the relief would have been extended to virtually any charity which provided any service in a caring manner and had amongst its clientele a minimal number of disabled people. Legislation was therefore introduced in the 1996 Budget to ensure that zero-rating did not extend beyond its original intention.

After the legislation was introduced, it became apparent that it excluded from the relief some charities which specifically targeted their caring activities upon disabled people but which did not meet the requirements of the amended legislation. Consequently, an Extra Statutory Concession was introduced to enable **certain** charities to continue to purchase relevant goods (in practice, adapted motor vehicles) at the zero rate. This means that charities may now qualify for zero-rated purchases of relevant goods by one of two routes:

- Under the VAT law, as amended by the 1996 Budget.
- Under the Extra Statutory Concession (ESC), which was announced on 16 June 1997 but backdated to 26 November 1996.

The law relating to this relief (including the amendment introduced in Section 34 of the Finance Act 1997) is reproduced at Annex A. The text of the Extra Statutory Concession is reproduced at paragraph **what are the terms of the concession?**.

2. Charities who qualify for zero-rated supplies of relevant goods

Two categories of charitable institution are eligible to purchase specified goods at the zero-rate, provided certain conditions are met. The two charitable institutions are:

- Those providing institutional care.
- Those providing domiciliary care.

A. Charitable institutions providing institutional care

2.1 What tests must be met?

The amendment sets out that in order to qualify as one of the charitable institutions, and thus be eligible for zero-rated purchases of any of the relevant goods in legal note 3 to Group 15, three tests must be met. These are:

- It must be a "relevant establishment" providing care or medical or surgical treatment.
- The majority of the persons who receive that care or treatment must be handicapped.
- The relevant goods must be used in the relevant establishment.

If these tests are satisfied then the organisation can purchase the relevant goods at the zero rate.

2.2 What is a "relevant establishment"?

A relevant establishment is one of two things:

- a day centre (note (4B) (a) to Group 15)
- an institution which is approved, licensed or registered or is exempted from those requirements (Note (4B) (b) to Group 15).

A day centre must be something more than a social or recreational centre. It must concentrate on providing some form of care or treatment to those attending. Examples of centres, which would qualify, include physiotherapy centres for disabled children or charitable establishments, which run daily rehabilitation or training classes for disabled adults.

Institutions, which are approved, licensed or registered, include the wide range of residential care institutions, such as nursing homes for disabled adults or residential homes for disabled children.

2.3 The majority test

The majority of those cared for in a relevant establishment must be handicapped. Customs will be flexible when applying this test. We will accept that the majority of people provided for are disabled if this is the normal and consistent pattern for the relevant establishment, and will not refuse claims for zero-rating simply because an establishment falls slightly below this level temporarily. This pattern should be evident from the home or day centre's own records. If those records show that over an extended period of time, 51 per cent or more of the people who are residents of a home or of those who attend a day centre are disabled people, the body will be eligible.

2.4 What is meant by handicapped?

When we use the term "handicapped" in this guidance, rather than the now more widely used term "disabled", we do so because VAT law uses that term. VAT legislation defines "handicapped" as "chronically sick or disabled". This definition is closely aligned to that used in the Disability Discrimination Act 1995, which defines disability as "a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities". Neither definition would accept the non-disabled elderly or those whose mobility may be temporarily impaired because of such things as short-term illness or pregnancy as "handicapped" or "disabled" by virtue of those conditions.

2.5 How must the relevant goods be used?

The relevant goods (including adapted motor vehicles) must be used in the relevant establishment. If, for example, a charity provided a range of activities, which included the running of a home for disabled children, then its vehicle would have to be used to transport residents of that home and not put to more general use.

2.6 How can the charity claim relief?

The charity should issue a certificate to the supplier confirming that the conditions for the relief are met. Examples of the certificates are set out in the Supplement to [Notice 701/6](#) Charity funded equipment for medical, veterinary etc uses Annex F at the back of this Information Sheet replaces Certificate B in Notice 701/6 for the purchase of adapted motor vehicles by charitable institutions providing care or medical or surgical treatment for disabled persons which are covered by the amendment to the law and by the ESC).

B. Charitable institutions providing domiciliary care

2.7 What are the conditions for relief on the purchase of relevant goods?

The tests for these charities are less exacting, predominantly because they will be involved in purchasing a restricted range of relevant goods due to the nature of the services provided.

2.8 What are the services provided?

The charitable institution must demonstrate that they provide medical care to the disabled person in their own home.

2.9 What do we mean by "medical care"?

"Medical care" in this context refers to the sort of care a nurse would carry out or supervise - for example:

- Washing.
- Getting people out of bed.
- Administering drugs etc.

It does not refer to supplies of basic domestic help services such as:

- Cooking.
- Cleaning.
- Shopping.
- Laundry, which remain taxable.

2.10 What relevant goods can they purchase at the zero-rate?

Charities who provide domiciliary care are eligible to purchase any of the relevant goods in legal note (3) (a) to Group 15 at the zero-rate. This means that items that a nurse would take out to a disabled person's home are covered - for example:

- Stethoscopes.
- Bandages.
- Syringes.
- Blood pressure equipment.

2.11 How must the relevant goods be used?

The relevant goods must be used in the course of the provision of domiciliary care and must not be used for general purposes.

2.12 How can the charity claim relief?

The charity should issue a certificate to the supplier confirming that the conditions for the relief are met. Examples of the certificates are set out in the [Supplement to Notice 701/6](#).

3. Charities who qualify for zero-rated supplies under the extra statutory concession

3.1 What are the terms of the concession?

As a result of negotiations between Customs and representatives of charities and community transport groups, an Extra Statutory Concession was announced on 16 June 1997. This concession brings a wider range of charities back within the zero rate provisions and is backdated to 26 November 1996. The text of the concession is:

Extra Statutory Concession: supplies of "relevant goods" to charities

Where "relevant goods" of a kind described in note (3) to Group 15 of the Value Added Tax Act 1994 are supplied to a charity -

(a) Whose sole purpose and function is to provide a range of care services to meet the personal needs of handicapped people (of which transport might form a part); or

(b) Which provides transport services predominantly to handicapped people,

then by concession, the supply of those goods will be zero-rated, as will the repair and maintenance of those goods and the supply of any further goods in connection with that repair and maintenance.

"Handicapped" means chronically sick or disabled.

In order to be eligible for this concession, a charity must demonstrate that it meets the requirements of sub-paragraphs (a) or (b) above by way of -

- Its charitable aims and objectives.
- Its publicity and advertising material.
- Any documents which it has issued for the purpose of obtaining funding.
- From a third party such as a local authority.
- Its day to day operations.
- Any other evidence that may be relevant.

3.2 Who will benefit from the concession?

Two types of charities will benefit:

- "Single purpose" charities. These may provide a range of services, (such as
- Care.
- Advice.
- Lobbying on behalf of disabled people.
- Funding medical research into the causes.
- Prevention or
- Cure of the disablement.

But will only do so for one specific group - disabled people;

- Charities, which provide their transport services predominantly to disabled people.

3.3 What types of relevant goods can be supplied?

In theory, the relevant goods which can be supplied at the zero rate to the two types of charity described in the concession are any of those listed in note 3 to Group 15, which includes all those goods listed in Item 2 to Group 12.

In practical terms, the type of relevant goods which are most likely to be purchased by these charities - which were the basis of discussion between Customs and the representative bodies - are motor vehicles adapted for use by disabled passengers (with space for at least one wheelchair user) or a motor vehicle to transport mainly blind, deaf, mentally impaired or terminally sick persons. Boats that are designed or permanently adapted for use by disabled people are also eligible for relief. The rest of this section of the guidance and accompanying Annexes therefore deals mainly with the purchase of vehicles. (However, you should be aware that the principles for the requirement to issue certificates and provide the supplementary evidence (described below) will apply to the purchase by the "concessionary" charities of other relevant goods).

3.4 What evidence will be needed to prove eligibility for zero-rating?

It is the responsibility of the purchasing charity to prove that it is entitled to buy relevant goods at the zero rate. But Customs do not want to force charities to keep detailed records of the passengers they care for or transport simply to prove their eligibility. So Customs have decided to utilise records and documentation, which charities already keep for non-VAT reasons, for example:

- The charity's aims and objectives (which may be an extract from the constitution). Often a charity's eligibility will be clear from this document but in other cases additional supporting evidence will be provided by;
- The charity's publicity and advertising material.
- Any documents which the charity has issued for the purpose of obtaining funding from a third party, such as a local authority.
- Evidence of its day to day operations.
- Any other evidence that may be relevant, for example an analysis of passengers carried over a representative period.

The evidence should all show a consistent theme ie that the charity serves or the community transport charity predominantly serves one client group - disabled people. This does not mean that they will be precluded from the relief if they provide help to or transport for other people. But they must be able to demonstrate that they focus their activities upon disabled people and cater predominantly for their needs.

3.5 How should this evidence be provided to Customs and Excise and suppliers of relevant goods?

When a charity claims zero-rating on an adapted motor vehicle (or any other relevant goods), it must issue a certificate to the supplier claiming eligibility for relief and where required it must attach documentary evidence (as outlined above) to support the claim. (Some documents - particularly funding documents or aims and objectives - are lengthy. A charity need not provide the whole document, but it should provide the parts, which will enable it to make the declaration for relief.)

The charity should make up two sets of the documents listed above - one set for itself and one to present to **each** supplier. (This means the charity in reality has to search for and collate the information only once: it can be retained by the charity for any future supplies.) A charity need only provide the supporting evidence once to each supplier unless there have been relevant changes to the charity's operation. Providing the supplier still holds the evidence, the charity can just issue a certificate.

Annexes B to E of to this guidance provide examples of documents, which might be produced by charities intending to purchase an adapted motor vehicle:

- At Annex B you will find an example of the type of constitution, publicity material etc. we would expect to see from a "single purpose" charity which **qualified** for this concession.
- At Annexe C, (Examples 1 to 3), you will find examples of the type of constitutions, publicity material and funding documents which we would expect to see from a "transport charity" which **qualified** for this concession.

- At Annex D you will find an example of the type of constitution, publicity material and funding documents which we would expect to see from a "single purpose" charity which **did not qualify** for this concession.
- At Annex E (Example 1 and 2) you will find examples of the type of publicity material and funding documents which we would expect to see from a "transport charity" which **did not qualify** for this concession.
- At Annex F, you will find an example of a zero-rate certificate for adapted motor vehicles. (It replaces Certificate B in Notice 701/6 for those charitable institutions providing care or medical or surgical treatment for disabled persons covered by the amended law and the ESC.) These are not provided by Customs. If the certificate at Annex F is not used, an adapted one must contain the same information.

3.6 What are the responsibilities of the supplier?

As with all self-certification claims, the supplier must take all reasonable steps to ensure that the information given to him is correct. If a charity claims to be a "sole purpose" charity but the evidence shows an entirely different aim, then the supplier should not zero-rate their supply.

4. Questions and answers

A. General

What about charities who bought relevant goods, including adapted motor vehicles after 26 November 1996 and were charged VAT?

Charities, which incurred VAT on the purchase of any relevant goods, can go back and claim zero-rating from the supplier (they should issue retrospective zero rate certificates and, where applicable, evidence to the supplier) **provided** they met the terms of the concession at the time of purchase.

Charities who are VAT registered and issue retrospective zero rate certificates must amend their VAT account to reduce any input tax they may have previously claimed in respect of the adapted vehicles.

What happens if a charity does not qualify for the zero-rated purchase of relevant goods, even under the concession?

Not all charities will qualify for zero-rated purchases. However, charities who make taxable business supplies have the option of registering for VAT. If they choose to do so, they may, subject to the normal rules, be able to recover the VAT on the purchase of the relevant goods used for taxable purposes, along with any VAT it is charged on expenses relating to its day to day running.

Who is responsible for ensuring that the liability of the supply is correct?

It is the supplier's responsibility to ensure that the correct VAT rate is applied. The production of a certificate or any other evidence from a customer does not authorise the zero-rating of a supply. A supplier must take reasonable steps to check any apparent inconsistency and confirm the validity of any declaration. Nevertheless the charity has a responsibility to make a truthful statement as to their eligibility for zero-rating and, where required, to provide appropriate documentation to support their declaration.

What if suppliers get it wrong?

Extra Statutory Concession 2.11, which is set out in Notice 48, states that if a supplier has taken reasonable steps to check the validity of a declaration but fails to identify an inaccuracy and in good faith make the supplies concerned at the zero-rate, Customs will not seek to recover the tax due from the supplier.

B. Adapted motor vehicles

What types of adapted motor vehicles qualify?

The 1996 Budget did not change the types of vehicles, which are eligible for the relief. Vehicles which qualify for relief are detailed in Note (3) Group 15 to Schedule 8 of the VAT Act 1994 (this note is reproduced as part of Annex A).

Can I buy a vehicle and then adapt it later?

Only charities providing care for blind, deaf, mentally impaired or terminally sick people can purchase an unadapted motor vehicle (with more than 6 but fewer than 51 seats) at the zero-rate. However, these and other charities may purchase at the zero rate the goods and services to permanently adapt a vehicle to convert it to an eligible vehicle, for example the purchase and fitting of a wheelchair lift, ramps or a hoist and wheelchair clamp, or other wheelchair securement devices. The purchase and fitting of other goods designed solely for disabled people can also be supplied at the zero rate, for example specialist car seats and seatbelts, wheelchair storage systems, handrails and adaptations to enable seats to be relocated or removed to provide wheelchair space.

What is the liability of the repair and maintenance?

The supply of repair and maintenance of relevant goods, and the supply of any further goods in connection with the repair and maintenance, to an eligible charity is zero-rated. This includes relevant goods, which are fitted subsequent to the original purchase of a motor vehicle. Charities will need to provide suppliers with a certificate for zero-rating and, if necessary, supporting evidence.

What happens if a charity occasionally allows its vehicle to be hired "out of hours" by local societies, sports clubs etc?

Many charities hire their vehicles out in this way, as a way of boosting their income whilst the vehicle is not being used for transporting disabled people. These occasional "out of hours" hires will have no bearing on whether a charity is considered to meet the conditions of the law or the Extra Statutory Concession.

The hire to an outside body of a vehicle designed or adapted to carry 12 or more passengers with a driver is zero-rated. As is the hire, with driver, of a vehicle which would, were it not for the fact that seats had been removed to make wheelchair space, carry 12 or more passengers. The hire of a vehicle without a driver to an outside body is standard-rated. Charities who are registered for VAT will therefore have to charge and declare output tax on the hire fees; and those who are not VAT-registered will need to register for VAT if this income takes their taxable income (that is standard and zero rate income) to the VAT registration threshold. (See [VAT Notice 700/1](#) Should I be registered for VAT?)

Annex A

(referred to in paragraph **What is the legal background?** and **Questions and Answers** Section Part B)

EXTRACTS FROM THE VAT ACT 1994

SCHEDULE 8 - ZERO-RATING: GROUP 15 - CHARITIES ETC

Item No:

4. The supply of any relevant goods for donation to a nominated eligible body where the goods are purchased with funds provided by a charity or from voluntary contributions.

5. The supply of any relevant goods to an eligible body which pays for them with funds provided by a charity or from voluntary contributions or to an eligible body which is a charitable institution providing care or medical or surgical treatment for handicapped persons.

6. Repair and maintenance of relevant goods owned by an eligible body.

7. The supply of goods in connection with the supply described in item 6.

Notes:

(3) "Relevant goods" means -

(a) medical, scientific, computer, video, sterilising, laboratory or refrigeration equipment for use in medical or veterinary research, training, diagnosis or treatment;

(b) ambulances;

(c) parts and accessories for use in or with goods described in paragraph (a) or (b) above;

(d) goods of a kind described in item 2 of Group 12 of this Schedule;

(e) motor vehicles (other than vehicles with more than 50 seats) designed or substantially and permanently adapted for the safe carriage of a handicapped person in a wheelchair provided that -

(i) in the case of vehicles with more than 16 but fewer than 27 seats, the number of persons for which such provision shall exist shall be at least 2;

(ii) in the case of vehicles with more than 26 but fewer than 37 seats, the number of persons for which such provision shall exist shall be at least 3;

(iii) in the case of vehicles with more than 36 but fewer than 47 seats, the number of persons for which such provision shall exist shall be at least 4;

(iv) in the case of vehicles with more than 46 seats, the number of persons for which such provision shall exist shall be at least 5;

(v) there is either a fitted electrically or hydraulically operated lift or, in the case of vehicles with fewer than 17 seats, a fitted ramp to provide access for a passenger in a wheelchair.

(f) motor vehicles (with more than 6 but fewer than 51 seats) for use by an eligible body providing care for blind, deaf, mentally handicapped or terminally sick persons mainly to transport such persons;

(g) telecommunication, aural, visual, light enhancing or heat detecting equipment (not being equipment ordinarily supplied for private or recreational use) solely for use for the purpose of rescue or first aid services undertaken by a charitable institution providing such services.

(4) "Eligible body" means -

(a) a Regional, District or Special Health Authority in England and Wales;

(b) a Health Board in Scotland;

(c) a Health and Social Services Board in Northern Ireland;

(d) a hospital whose activities are not carried on for profit;

(e) a research institution whose activities are not carried on for profit;

(f) a charitable institution providing care or medical or surgical treatment for handicapped persons;

(g) the Common Services Agency for the Scottish Health Service, the Northern Ireland Central Services Agency for Health and Social Services or the Isle of Man Health Services Board;

(h) a charitable institution providing rescue or first-aid services;

(i) a National Health Service trust established under Part I of the National Health Service and Community Care Act 1990 or the National Health Service (Scotland) Act 1978.

(4A) Subject to Note (5B), a charitable institution shall not be regarded as providing care or medical or surgical treatment for handicapped persons unless-

(a) it provides care or medical or surgical treatment in a relevant establishment; and

(b) the majority of the persons who receive care or medical or surgical treatment in that establishment are handicapped persons.

(4B) 'Relevant establishment' means-

(a) a day-centre, other than a day-centre which exists primarily as a place for activities that are social or recreational or both; or

(b) an institution which is-

(i) approved, licensed or registered in accordance with the provisions of any enactment or Northern Ireland legislation; or

(ii) exempted by or under the provisions of any enactment or Northern Ireland legislation from any requirement to be approved, licensed or registered;

and in paragraph (b) above the references to the provisions of any enactment or Northern Ireland legislation are references only to provisions which, so far as relating to England, Wales, Scotland or Northern Ireland, have the same effect in every locality within that part of the United Kingdom."

(5) "Handicapped" means chronically sick or disabled.

(5A) Subject to Note (5B), items 4 to 7 do not apply where the eligible body falls within Note (4)(f) unless the relevant goods are or are to be used in a relevant establishment in which that body provides care or medical or surgical treatment to persons the majority of whom are handicapped.

(5B) Nothing in Note (4A) or (5A) shall prevent a supply from falling within items 4 to 7 where -

(a) the eligible body provides medical care to handicapped persons in their own homes;

(b) the relevant goods fall within Note (3)(a) or are parts or accessories for use in or with goods described in Note (3)(a); and

(c) those goods are or are to be used in or in connection with the provision of that care.

(6) Item 4 does not apply where the donee of the goods is not a charity and has contributed in whole or in part to the funds for the purchase of the goods.

(7) Item 5 does not apply where the body to whom the goods are supplied is not a charity and has contributed in whole or in part to the funds for the purchase of the goods.

(8) Items 6 and 7 do not apply unless

(a) the supply is paid for with funds which have been provided by a charity or from voluntary contributions, and

(b) in a case where the owner of the goods repaired or maintained is not a charity, it has not contributed in whole or in part to those funds.

(9) Items 4 and 5 include the letting on hire of relevant goods; accordingly in items 4, 5 and 6 and the notes relating thereto, references to the **purchase or ownership of goods** shall be deemed to include references respectively to their hiring and possession.

(10) Item 5 includes computer services by way of the provision of computer software solely for use in medical research, diagnosis or treatment.

SCHEDULE 8 - ZERO-RATING: GROUP 12 - DRUGS, MEDICINES, AIDS FOR THE HANDICAPPED

Item No:

2. The supply to a handicapped person for domestic or his personal use, or to a charity for making available to handicapped persons by sale or otherwise, for domestic or their personal use, of-

(a) Medical or surgical appliances designed solely for the relief of a severe abnormality or severe injury;

(b) Electrically or mechanically adjustable beds designed for invalids;

(c) Commode chairs, commode stools, devices incorporating a bidet jet and warm air drier and frames or other devices for sitting over or rising from a sanitary appliance;

(d) Chair lifts or stair lifts designed for use in connection with invalid wheelchairs;

(e) Hoists and lifters designed for use by invalids;

(f) Motor vehicles designed or substantially and permanently adapted for the carriage of a person in a wheelchair or on a stretcher and of no more than 5 other persons;

(g) Equipment and appliances not included in paragraphs (a) to (f) above designed solely for use by a handicapped person;

(h) Parts and accessories designed solely for use in or with goods described in paragraphs (a) to (g) above;

(i) Boats designed or substantially and permanently adapted for use by handicapped persons.

4. The supply to a charity of services of adapting goods to suit the condition of a handicapped person to whom the goods are to be made available, by sale or otherwise, by the charity.
5. The supply to a handicapped person or to a charity of a service of repair or maintenance of any goods specified in item 2, 6, 18 or 19 and supplied as described in that item.
6. The supply of goods in connection with a supply described in item 3, 4 or 5.
7. The supply to a handicapped person or to a charity of services necessarily performed in the installation of equipment or appliances (including parts and accessories therefore) specified in item 2 and supplied as described in that item.

Notes:

(3) "Handicapped" means chronically sick or disabled.

(4) Item 2 shall not include hearing aids (except hearing aids designed for the auditory training of deaf children), dentures, spectacles and contact lenses but shall be deemed to include-

(a) Clothing, footwear and wigs;

(b) Invalid wheelchairs, and invalid carriages other than mechanically propelled vehicles intended or adapted for use on roads; and

(c) Renal haemodialysis units, oxygen concentrators, artificial respirators and other similar apparatus.

(5) The supplies described in Items 1, 1A and 2 include supplies of services of letting on hire of the goods respectively comprised in those items.

Annex B

(referred to in paragraph **How should this evidence be provided to Customs and Excise and suppliers of relevant goods?**)

This Annex is an example of the charitable aims and objectives of a "single purpose" charity which would qualify to purchase an adapted vehicle at the zero rate. The objects of the charity clearly show that whilst it provides a range of different services, all those services are directed towards a group of society which suffers from a particular disablement - in this case, paraplegia.

The Companies Act 1948

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION OF

THE PARAPLEGIC SUPPORT SOCIETY

1. The name of the Company (hereinafter called "the Association") is "The Paraplegic Support Society".
2. The registered office of the Association will be situated in England.
3. The objects for which the Association is established are to alleviate the present widespread human suffering (both physical and psychological) from paraplegia; to finance, provide and to press for facilities for up-to-date diagnosis and treatment and for the care (including residential and nursing), convalescence, re-education or rehabilitation of persons suffering from paraplegia and to encourage the use of such facilities; to assist and promote the rehabilitation of those afflicted by paraplegia; and thereby to eradicate or reduce the economic loss to the community in terms of manpower and productive effort occasioned by paraplegia; to relieve the poverty and suffering of persons who have experienced adversity on account of paraplegia, to educate, re-educate, train and rehabilitate them for gainful or useful occupations; to reintegrate those suffering from paraplegia into the community.

Annex C

(referred to in paragraph **How should this evidence be provided to Customs and Excise and suppliers of relevant goods?**)

This Annex consists of three examples of material produced by transport charities which would qualify to purchase an adapted vehicle at the zero rate. These documents demonstrate that the charity in question gives special priority to the transport of disabled people and is not a general purpose transport society which serves a wide range of society. The particular parts of the text which emphasise this are italicised, for ease of reference.

See Example 1, Example 2 and Example 3

Example 1

CHIPSLEY FOREST DIAL-A-RIDE

Dial-a-ride is a door-to-door service for anyone who, through disability, cannot use public transport. It is organised by Chipsley Forest Community Care Association.

Charges

The charge is approximately 35p per passenger per mile for the first 15 miles, and 20p per mile for the rest of the journey. If you wish to take an escort, they will travel free. The office will tell you the exact fare when you book.

How to book

The office will be open between 11am and 1pm Tuesdays, Wednesdays, Thursdays and Fridays. Passengers should phone 123 4567 one or two working days before their journey, although those who need to be assured that they will be able to keep an appointment further ahead, may book up to seven days in advance. Journeys on Mondays should be booked during the previous Thursday or Friday.

Bookings are accepted on a first-come-first-served basis

If you have to cancel a trip, phone the association's office as soon as you can.

About the Dial-a-Ride service

Chipsley Forest Dial-a-Ride is a service for local people and visitors staying in the area, with disabilities of any kind who are unable to use public transport. There is ramped access to the rear of the vehicle for passengers using a wheelchair and wheelchair restraints and seat belts are used for added safety.

An escort may be taken at no extra charge.

The vehicle will pick up passengers from home within the area served.

If possible, passengers are requested to be ready to leave 10 minutes before the pre-arranged time.

Chipsley Forest Dial-a-Ride is not able to do journeys for hospital appointments. However, it can take you to visit friends or relatives who are in hospital.

Chipsley Forest Dial-a-Ride is available every day

During the following times, the whole of the journey must fall within a 20 mile radius of Chipsley.

Tuesdays 9.00am to 6.00pm

Wednesdays 9.00am to 6.00pm

Thursdays 9.00am to 6.00pm

Friday 9.00am to 5.00pm

On Monday, weekday evenings after 6.00pm (Fridays 5.00pm) and weekends, the Dial-a-Ride is available for journeys to any destination.

Area served

The service is for people resident within or visiting the following areas:

Dunley Market

Outhston

Pebendry

Example 2

EASTERN OUSELEY - EASTERN OUSELEY - EASTERN OUSELEY

Transport for disabled people who find it difficult to use ordinary buses

Disabled people in Eastern Ouseley find it physically difficult or impossible to use conventional public transport. That's why dial-a-ride services operate in many parts of the area.

Dial-a-ride is a local door to door transport service, using specially equipped minibuses to carry passengers with or without wheelchairs. Each minibus has easy steps and handrails to help passengers and is also equipped with a lift or ramp.

Anyone of any age and with any disability can use the service - as long as their disability means that it is difficult to get to a bus stop or get on to a bus.

At present there are six dial-a-ride services in Eastern Ouseley, run by voluntary organisations and funded by the County Council.

Some services operate on just one day a week, perhaps to a limited number of destinations, but some run for five or more days each week. These services enable passengers to travel locally, for example to visit friends and relatives, go to the rail station or take a trip to the shops.

Journeys for hospital appointments and day centres are not undertaken as transport for these can be arranged by your surgery or day centre.

Journeys are booked in advance and normally allocated on a first call, first served basis and the fare is much the same as on an ordinary bus.

Each service has its own leaflet. To obtain a copy or find out more about dial a ride ring your local service, the phone number is listed below:

Broath 22222222, Denton Mill 11111111, Great Puddleton 333333

Example 3

DIAL-A-RIDE SCHEME

TERMS AND CONDITIONS

This agreement is made the XXX day of XXX between Penton County Council, of the first part and Penton Community Care Association of the second part.

Penton County Council will provide a vehicle and associated funding to enable the Dial-A-Ride scheme to be operated on the terms and conditions set out in this document.

The following terms are used throughout the document and have the following meanings:

Organisation

The body whose application has been approved and on whose behalf this document has been signed.

CTO

The community transport officer, or such other person, employed in the same capacity by Penton County Council for the time being.

Passenger

A person with restricted mobility who is unable to use public transport and who is a registered user of the scheme, or an able-bodied passenger travelling as an escort.

The scheme

The provision of Dial-A-Ride service to registered passengers within a defined area by an approved organisation.

The vehicle

A specially converted vehicle registered in the name of Penton County Council which will continue to be owned by Penton County Council and which is provided to the organisation for the purposes of running a scheme.

1. Penton hereby agrees to provide to Penton Community Care Association a vehicle and such sum or sums as are set out in more detail below.
2. The organisation shall have use of the vehicle for the purposes of running a Dial-A-Ride scheme within an agreed area within the county of Penton, subject to the terms and conditions set out in this document.
3. The scheme shall commence from a date to be agreed and notified in writing by the CTO and shall cease in accordance with paragraph 26 hereof.
4. The organisation shall at all times maintain a status of registered charity, company limited by guarantee, friendly or provident society. It shall notify the CTO immediately of any decision to change its status taken in accordance with its constitution, or any actual change in such status which comes about without such decision.
5. The organisation shall lodge with Penton County Council a copy of its current constitution, aims and objectives and any amendments thereto. The CTO shall be invited to attend any meeting of the governing body of the organisation at which the scheme is due to be discussed.

The vehicle

6. Penton County Council shall provide a vehicle to the organisation for the purpose of running the scheme. The vehicle shall at all times be owned and insured by Penton County Council and the organisation shall have or obtain no rights in respect of the vehicle other than as set out in this document.

7. The organisation shall be responsible for the day to day maintenance of the vehicle, the provision of petrol, oil and water as required and for keeping the vehicle in a clean, tidy and hygienic condition. The organisation shall ensure that the vehicle is serviced in accordance with the manufacturer's instructions, including any adaptations made to or equipment installed in the vehicle. Should the vehicle require any non-routine maintenance, this should be arranged as soon as possible, taking into consideration at all times the safety of the drivers and passengers. All servicing shall be carried out by County Fleetcare or such other nominated contractor as the CTO may specify.

8. Penton County Council will tax and insure the vehicle.

9. At all times when the vehicle is in the control of the organisation whether or not it is in use in connection with the scheme, the organisation shall use its best endeavours to ensure the safety of the vehicle and that it is protected from damage or theft.

10. The organisation shall be informed of the terms and conditions of Penton County Council insurance policy in respect of the car and driver thereof and shall ensure that those terms and conditions are complied with at all times.

11. Drivers of the vehicle shall be between 25 and 69 (up to 70th birthday) years of age and shall be in possession of a clean driving licence and have held a licence for at least three years. All drivers shall undertake a course specified by the CTO before driving the vehicle in connection with the scheme.

Drivers over the age of 69 and under the age of 75 may be accepted if:

- (a) A medical certificate from the volunteer's G.P. is provided.
- (b) The insurance company accept the increased age limit in writing.
- (c) The driver continues to hold a valid driving licence.
- (d) The trustees of the organisation operating the scheme deem it reasonable for the driver to continue with his/her voluntary driving duties.

If any of the above cannot at any time be complied with, the driver will be requested by the trustees of the organisation to withdraw from driving duties.

The passengers

All passengers must be persons of restricted mobility unable to use public transport together with an able-bodied companion. All passengers must be permanently or temporarily resident in the catchment area.

Annex D

(referred to in paragraph How should this evidence be provided to Customs and Excise and suppliers of relevant goods?)

This Annex is an example of the charitable aims and objectives of a "single purpose" charity which, on the basis of this evidence would not be entitled to purchase an adapted vehicle at the zero rate. The charity does focus its activities solely upon one particular group of society, but that group is the elderly, not the handicapped. Some elderly people who are served by the charity may also be handicapped, but many will not be. The parts of the text which emphasise this are italicised for easy reference.

DRAFT CONSTITUTION

adopted on the 1st day of September 1995

Name

The name of the Association is Midwalton Elderly Support.

Administration

Subject to the matters set out below the Charity and its property shall be administered and managed in accordance with this Constitution by the members of the Executive Committee, constituted by clause of 7 this constitution ("the Executive Committee").

Objects

The Charity's objects ("the objects") are to promote, advocate and cater for the educational, social, cultural, recreational, physical and support needs of older persons who are isolated, disabled or have other difficulties through the provision of quality services in a sympathetic environment. These services will be made available to older people in the County of Midwalton.

Functions

In pursuing these objects the Charity shall seek to fulfil the following functions and may do anything lawful and necessary to achieve the objects:

- provide care and support to older persons who are isolated, disabled or have other difficulties
- promote the social well-being of members according to their educational, social and recreational needs
- offer advice and help to members and sign-post where necessary; and articulate the needs of the older community.

Annex E

(referred to in paragraph **How should this evidence be provided to Customs and Excise and suppliers of relevant goods?**)

This Annex comprises two documents - publicity material and funding documents - which have been produced by charities providing transport services who, on this evidence would not be entitled to purchase adapted vehicle at the zero rate. Both charities provide transport services to disabled people, but they give them no special priority and serve equally a wide range of people, many of whom are not considered to be disabled under VAT legislation.

The parts of the text which illustrate this are italicised for ease of reference.

See Example 1 and Example 2

Example 1

Budley Ring and Ride

Who can use Budley Ring and Ride?

If you find it difficult or impossible to use ordinary buses, then call us. **Your difficulty may be permanent or temporary**, physical or sensory.

Where does it run?

If you live between Grantstown and Boothby, then you can use Budley Ring and Ride. Contact us to make sure that you live in our area.

How will I manage?

The bus calls at your front door and will take you to or from anywhere in our operating area. If you need very low steps or a lift, or an assistant who will help you on board, then you can use our bus.

A heart condition, blindness, arthritis, a **broken leg, difficult pregnancy** or being wheel chair bound should no longer prevent you from getting out and about.

Where can I go?

You may want to go shopping, visit relatives and friends, go to work, to the cinema, football matches, bingo or just to visit the local park.

What if I need a helping hand?

You can bring a friend or a member of the family, if you feel their support is needed.

If you have a guide dog, it can come too.

What does it cost?

Passengers will pay 30p per single journey, except holders of the following bus passes:

- Old age pensioners - 10p per single journey.
- Disabled persons - 10p per single journey.

- Blind persons - free.
- Mentally handicapped persons - free.

Remember to bring your pass with you.

How do I use Ring and Ride?

- Phone
- Between 9.00am and 5.00pm.
- any day of the week

We will ask you a few details: where you want to go and at what time.

You can book the same day you travel or 24 hours in advance. If you do not have a telephone, ask someone to ring us on your behalf, or write to us.

When does it run?

- 8.00am to 11.30pm.

Every day of the week.

Example 2

Service Specification - Dinton Ring-a-Ride

Recipient of Grant: Dinton Council for Voluntary Action (DCVA)

Description of service

A door-to-door public transport service for mobility-impaired people using two accessible minibuses, and two full-time (or equivalent) drivers; one vehicle serving Dinton City and its fringes; the other serving selected areas outside Dinton City.

DCVA to maintain a dedicated booking line, open from 9.30 to 11.30 Monday to Friday, with bookings taken for each day's operation one day in advance. Bookings for specific appointments may be taken up to a week in advance.

Areas covered

Anywhere in Dinton City.

Eligibility

People who **because of age or disability** find it difficult to use public transport excluding those making journeys for which Social Services or Ambulance transport would be appropriate.

Publicity

An information leaflet giving details of the service should be produced by DCVA and be made available in sheltered housing, Social Services establishments and other places potential users are likely to be.

Vehicle standards

Any vehicle to be used on the service to be accessible to wheelchair users through a tail-lift, and to have low entrance steps, conforming to DPTAC standards, that is first step no more than 250mm above the ground, and all other steps should be between 150mm and 200mm high and consistent in height to within 10mm. Other features, like handrails, and lighting to conform to DPTAC standards.

Vehicle capacity to be at least 8 seats, with the capacity to take one or two wheelchairs (substituting for some seats).

Driver standards

Any driver used on the service to be trained in Disability Awareness, First Aid, and Fire Evacuation.

Scheduling standards

No booking should be refused, unless the vehicle is fully booked at the time requested. Where possible an alternative journey should be offered.

Statistics

Basic statistics to be supplied to the Public Transport Officer quarterly showing:

- (a) for the Ring-a-Ride service, numbers travelling, with number of passengers using wheelchairs shown separately
- (b) for the County routes numbers travelling from each village/town, with number of passengers using wheelchairs shown separately, for each day of the week
- (c) for both services, but recorded separately, the number of refusals of requests for travel and the origin and destination and requested time of the refused request.

More detailed statistics, of mileage or vehicle loadings to be supplied at the request of the Public Transport Officer.

Acknowledgement of county support

Dinton Country logo to be displayed clearly on both sides of any vehicle used on Ring-a-Ride, with the livery of any vehicle to be agreed by the Council.

Amount of grant

£22000 for the period 1 April 1995 until 31 March 1996.

Liaison officers

For the Council, XXX to be the Liaison Officer. For DCVA, XXX to be the Liaison Officer.

Annex F

(referred to in paragraph **How should this evidence be provided to Customs and Excise and suppliers of relevant goods?**)

PURCHASE, REPAIR AND MAINTENANCE BY AN ELIGIBLE BODY OF AN ADAPTED VEHICLE

PART 1 - to be completed by the purchaser/charity.

[tick boxes as appropriate]

I (full name)

..... (status in organisation)

of (name and address of

..... organisation)

which is

(a) a charitable institution providing care or medical or surgical treatment for persons the majority of whom are handicapped in a relevant establishment being one of the following:

a day centre

an institution which is approved, licensed or registered or is exempted from registration (Note 4B (b)); Gp 15 Sch 8 VATACT 1994

or b) a single purpose charity which provides a range of services to serve the needs of the handicapped;

or c) a charity providing transport services predominantly for disabled people;

declare that the above named organisation is buying/hiring/having repairs/maintenance (delete as appropriate)

from

..... (name and address of

..... supplier)

the following vehicle which is permanently adapted to carry one or more disabled persons in a wheelchair and has

a seating capacity of no more than 16, including the ability to carry one person safely in a wheelchair, with fitted ramp or electric or hydraulic lift to provide access for the wheelchair;

a seating capacity of no more than 26 (but no less than 17), including the ability to carry two or more persons safely in a wheelchair, with fitted electric or hydraulic lift to provide access for the wheelchairs;

a seating capacity of no more than 36 (but no less than 27), including the ability to carry 3 or more persons safely in a wheelchair, with fitted electric or hydraulic lift to provide a access for the wheelchairs;

a seating capacity of no more than 46 (but no less than 37), including the ability to carry 4 or more persons safely in a wheelchair, with fitted electric or hydraulic lift to provide access for the wheelchairs;

a seating capacity of no more than 50 (but no less than 47), including the ability to carry 5 or more persons safely in a wheelchair, with fitted electric or hydraulic lift to provide access for the wheelchairs.

..... (make of vehicle)

..... (chassis no)

..... (registration mark)

or is purchasing repairs or maintenance of the vehicle indicated above.

Use only where appropriate:

The charity qualifies for the purchase of this vehicle at the zero rate under categories b) or c) above. I have therefore attached to this certificate copies of:

the charity’s aims and objectives;

the charity’s publicity and advertising material;

documents which the charity has issued for the purposes of obtaining funding from a third party such as a local authority;

other relevant evidence.

which support the claim for zero-rating.

..... (signature and date)

The production of this certificate to the supplier does not authorise the zero-rating of the supply. It is the supplier’s responsibility to ensure that the goods/services supplied are eligible before zero-rating them.

PART 2 - for use by the supplier

I understand that the conditions detailed in Part 1 of this form comply with either

(a) the criteria laid down in item 5 to Group 15 to Schedule 9 of the VAT Act 1994, as amended by the 1997 Finance Act or

(b) those laid down in the Extra Statutory Concession set out at paragraph 3.1 of Information Sheet 8/98.

I confirm that the conditions under either a) or b) above (please delete) have been met and that I can, therefore, zero rate the supply.

I have read the guidance in C&E VAT Notice 701/6 and Information Sheet No 8/98.

..... (signature)

Date Stamp