

Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
11 Downing Street  
London SW1

19<sup>th</sup> August 2020

Dear Chancellor,

**Green Recovery post Covid 19 – inclusion of specified Environmental charities within Section 33 VAT Refund scheme**

We are writing to you today as part of a group of organisations, who work together in delivering public benefit and whom we believe can play a vital part in getting the country back on its feet following the significant challenges posed by Covid -19.

Throughout this tremendously difficult period, the Land Trust, and others organisations like us, did their best to keep our parks and green spaces open for the communities who live and work around them to use for their physical and mental wellbeing. We thought about this decision long and hard but reasoned that the positives of doing so far outweighed the negatives, including additional costs, and so it proved.

Throughout lockdown it has been clear the value that communities place on well managed green infrastructure and parks and how these have helped contribute to health and wellbeing during these challenging times.

Unfortunately, Charities such as the Land Trust, and others similar to us who own and manage green spaces for public benefit, are effectively penalised by the tax system compared with Public Bodies who do the same, despite the fact that we deliver the same benefits.

VAT ACT 1994 contains specific provisions relating to bodies governed by public law to refund VAT on goods and services purchased for non-business purposes. These provisions are contained within Sections 33 and 41VATA 1994 and afford VAT recovery to listed organisations such as Local Authorities, Police, Government departments and Agencies.

Whilst bodies to which Section 33 provisions will apply are specifically listed in sections 33[3][a] to [j], section 33 [3][k] also allows for inclusion of :

‘Any body specified for the purposes of this section by the Treasury’.

Bodies which have been specified by a Treasury order and which are environmental in nature include:

- The Broads authority
- Environment agency

- National Parks Authorities; and
- Wimbledon and Putney Commons Conservators

In addition, further extensions have been made in recent years to the section 33 provisions as follows:

- Section 33A : refunds of VAT to museums and art galleries
- Section 33B : refunds of VAT to academies

From 1 April 2015 new sections 33C and 33D have been allowed to allow palliative care charities to claim a refund.

To give you some further background on the Land Trust we were established in 2004 by English Partnerships, now Homes England, to provide a secure and sustainable home for newly created parks and green spaces for public benefit.

We now own and manage over 80 public parks and green open spaces (2,500 hectares of land), which deliver millions of pounds of economic and social value every single year. We also work with housing developers to ensure that the green infrastructure around new developments is managed for public good and in accordance with the Land Trust's five key charitable objectives of:

- Environment and biodiversity
- Education and training
- Health and wellbeing
- Community Cohesion
- Economic vitality

However, despite the huge amount of public good that we deliver, we and many others in the parks and open spaces sector, are at a disadvantage compared to Government and Public Bodies, who under Section 33 of the VAT Act 1994, are able to recover VAT on works. As an Endowment funded charity we are currently unable to recover the VAT that we incur undertaking the management of our endowment funded parks and green spaces, despite them being managed for public benefit. As such we are penalised for the positive work that we do. Under Section 33, certain bodies are allowed to recover VAT where the work is for public good, but this does not include endowed charities, like ourselves, since we are not exempt under section 33 and do not charge the beneficiary. A good example of this would be Bilston Urban Village, a site which transferred to the Land Trust earlier this year. Previously managed by the local authority, once it came under our management the costs went up by 20%. This was nothing to do with how the site was being managed but simply down to our inability to recover the VAT.

We can provide further examples of this if required.

This outdated and prohibitive section of the VAT Act 1994 is a significant hindrance to us in being able to maximise the charitable impact we are able to deliver from the green space we manage. If endowed charities managing parks and green spaces were to be included within these VAT provisions, it would enable us to deliver significantly more health and wellbeing benefits, reduce obesity and other physical illnesses, and improve the mental health of visitors. This will simply bring the endowed charitable sector who manage green spaces in line with Local Authorities who do the same, and is even timelier given the initiatives

announced by Boris Johnson to try and tackle obesity in this country and ease pressure on the NHS.

We could do so much more, if we were operating on a level playing field - particularly at a time when our green spaces are more important than ever before. Our own economic and social value model continues to highlight the huge amount of economic growth provided by well managed green space. At a time when our economy needs a jump start, an investment in green infrastructure isn't just cost neutral – it is a guaranteed return on investment. There are not too many areas which can say the same.

At a time where HM Government is looking to invest extra money to deliver health outcomes, stimulate the economy, and support the government's levelling up agenda, this simple action would provide significant additional health and environmental benefits.

We have additionally incurred substantial extra costs during lockdown dealing with extra usage of our sites, requiring more maintenance, as well as more fly tipping due in part to Local Authorities closing public facilities.

Green spaces, when properly managed, have the potential to cure so many of our ills and we are therefore calling on you to include Green Space Managers into section 33 of the VAT Act 1994 and empower endowed charities and other organisations like ourselves to deliver so much more to the communities we serve.

We would collectively urge the Government to provide for the inclusion of the Land Trust and other similar charities under the section 33 provisions.

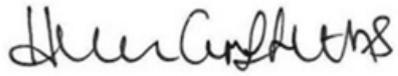
Yours sincerely

A handwritten signature in black ink, appearing to read 'Euan Hall'.

**Euan Hall**  
**Chief Executive**  
**The Land Trust**

A handwritten signature in black ink, appearing to read 'Darren York'.

**Darren York**  
**Chief Executive**  
**The Conservation Volunteers**



**Helen Griffiths**  
**Chief Executive**  
**Fields in Trust**



**Graham Duxbury**  
**Chief Executive**  
**Groundwork UK**



**Dan Cook**  
**CEO**  
**Landscape Institute**

Encs