

ANGUS COUNCIL

CHILDREN AND LEARNING COMMITTEE

23 SEPTEMBER 2014

ASSISTED INSTRUMENT PURCHASE SCHEME: SALE OF INSTRUMENTS TO PUPILS

Angus Council follows the procedure outlined by HMRC.

<http://www.hmrc.gov.uk/manuals/vatgpbmanual/VATGPB7825.htm>

Local authority education services: related activities: assisted instrument purchase scheme

The Assisted Instrument Purchase Scheme (AIPS) applies to pupils in full-time state education who receive musical tuition at school, or in a local authority orchestra, as part of their curriculum. It enables them to purchase new instruments through the local authority.

The supply of the instrument by the local authority to the pupil is not by way of business if the pupil is being taught to play the instrument by the school. Participation in school orchestras counts as tuition. In these circumstances the VAT incurred by the local authority when it purchases the instrument, can be recovered under section 33/

To be eligible for the scheme the following conditions need to be met:

- the pupil must be in full-time education at a local authority school
- the pupil must be receiving music tuition for the instrument from a local authority engaged instrument teacher as part of the school curriculum
- the instrument must be used by the pupil at the school or in a local authority orchestra
- the instrument must be appropriate to the pupil's needs
- the instrument must be handed to the pupil in a designated teaching room, and
- the instrument must be charged to the pupil at, or below, the VAT exclusive price paid by the local authority for its purchase.

The scheme works in the following way:

- the parent contacts a local authority nominated music shop which prepares an order form with the necessary details
- the order form is sent by the shop to the school which officially orders the instrument
- the school charges the parent for the price of the instrument excluding VAT
- the instrument is delivered by the shop to the school with an invoice, including VAT, which is then claimed back by the school under section 33, and
- the instrument is delivered to the pupil in a designated teaching room.

Contact for further information:

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