



Guidance

Village halls: answers to some common questions

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Why is a village hall charitable?

A village hall is a charitable community facility that is available to the public in a particular area for community-related recreational activities.

Village halls are charitable because they held on trust to be used for purposes set out by the Recreational Charities Act 1958. For further information see our publication **The Recreational Charities Act 1958 (RR4)**.

Who runs the village hall?

The village hall is usually run by a committee of management - being a committee member means that you are a charity trustee. The committee manages the hall and determines who uses it. The management committee often includes representatives from organisations that use the hall as well as members elected at the Annual General Meeting.

Our publication **Village Halls and Community Centres (RS9)** is a helpful resource for village hall committee members.

Who can use a village hall?

Village halls can be used by a variety of groups and organisations on an occasional or regular basis for different activities that will benefit the community. These might include pre-school playgroups, art clubs, badminton clubs or any other activity that brings people together for recreational purposes.

The hall might also be used occasionally by private or commercial users.

How often can the hall be used by any one group?

The activity usually determines how often any one group will use the hall, for instance, an after school club is likely to meet each weekday for 2 hours during term-time, whereas a badminton club might meet one evening a week throughout the year. Depending on the size of the hall, it may be possible for more than one group to be using it at the same time.

The committee decides the time-tabling for the activities in the hall ensuring that it is used to its best advantage for its charitable purposes.

When can the hall be used for private or commercial use?

Use of the hall for private parties or one-off sales of such things as carpets or art works is permitted if the committee is doing this to raise funds for the hall. Private and commercial use needs to be carefully balanced with charitable community activities and should not override them.

The committee needs to apply common sense in managing situations for private or commercial use. For instance, a private party booked in advance should still take precedence over a last-minute request to book the hall for charitable community use.

Can the committee get involved in trading activity to raise funds?

Yes, in certain circumstances. The committee sometimes propose the idea of regular trading activity as a way of raising funds for the village hall; a common example is the running of a bar. This type of trading is known as 'non-primary purpose trading' and is allowed only where there is no significant risk involved for the charity such as being liable for possible bar debts. Trading also gives rise to questions about tax liability and VAT.

Fundraising, trading and tax liability are complex issues which are covered in more depth in our online guidance and by advice from HM Revenue and Customs. The links below take you to other guidance on these subjects.

- **[Trustees trading and tax: how charities may lawfully trade \(CC35\)](#)**
- **[Charities and fundraising: a guide to trustee duties \(CC20\)](#)**

Running a bar as a regular activity raises particular issues for charities about managing the hall for the benefit of all users in addition to running of the bar itself. Information about these issues can be found in:

- **[Alcohol at charity meetings and events](#)**

Can parts of the hall be annexed permanently for particular use?

Yes, but not where it would disadvantage other users. A village hall is a facility for use by the whole community for a variety of purposes. If the hall, or part of it, is given over permanently to a particular purpose then that part of the hall ceases to be available for everyone. Many suggestions arise for using village halls which entail annexing part of the hall; these might include use as an IT facility, village shop or gymnasium.

The committee will need be clear that the area intended to be annexed permanently will not affect those groups that already use the hall. And, that the area will not be needed for other community groups wanting to use the hall for recreational purposes.

A formal agreement would be needed with the group wishing to annex part of the hall. The committee would need to take professional advice on the terms and conditions for any agreement.

Can the village hall extend its charitable purposes to include other activities?

In some circumstances this may be possible. Where there is potential to use the hall, or parts of it, for purposes which are charitable, but do not fall within the same recreational charitable purposes as the village hall, the committee may wish to consider extending its purposes. An example here might be where the village hall adjoins a charitable playing field and wants to share facilities with that charity.

It is likely that the committee would need to ask us to make a Scheme where an alteration is needed for the charity's trusts. In making an application for a Scheme which changes or adds to a charity's purposes the committee need to present a reasoned case for the change. This will include:

- the purposes for which hall is used and by whom
- whether that use is regular or one-off occurrences
- the extent that any new charitable use would encroach on the use of the hall for community recreational purposes
- whether existing recreational use could carry on alongside the new charitable use
- whether the trustees have consulted publicly in the area of benefit about the changes they wish to make

In many cases a new object (a clause in the charity's governing document setting out the charitable purposes) can be added to the existing ones, providing the new charitable use does not prejudice the rights of existing users. **Changing your charity's governing document (CC36)** has more information about this process.

Does the village hall need to be insured?

Yes, because the committee have a general duty to protect the assets of the charity, which includes the village hall itself. It is important, therefore, to have appropriate insurance for both buildings and contents.

The 2 most common ways of insuring are:

- for market value
- for the cost of rebuilding
- Costs for rebuilding should include:
 - professional fees
 - the costs of compliance with planning and building regulations

Where the charity occupies the village hall under the terms of a lease it is essential that the committee examine the terms and conditions of the lease find out who is responsible for the buildings and contents insurance.

The committee should obtain professional advice when considering insurance and should make sure that land and assets are valued regularly so that policies can be updated appropriately.

Who can provide help to village halls?

Organisations that may be of help to village halls include:

- Action with Communities in Rural England www.acre.org.uk
- Community Matters www.communitymatters.org.uk
- National Association for Voluntary and Community Action www.navca.org.uk
- Wales Council for Voluntary Action www.wcva.org.uk
- Welsh Association of County Voluntary Councils www.gwirvol.org.uk