



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE & EFFICIENCY

TOPIC – OPPORTUNITY TO LODGE CLAIMS FOR VAT REFUNDS RESULTING FROM A HOUSE OF LORDS DECISION (FLEMING/ CONDE NASTE)

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on 2 March 2009

Contact Officers:

Case Officer:

Alan Goard. Tel: 01962 848117 Email: agoard@winchester.gov.uk

Committee Administrator:

Ellie Hogston. Tel: 01962 848155 Email: ehogston@winchester.gov.uk

SUMMARY

Following a House of Lords decision, HMRC have announced that they will allow refund claims (plus interest) up to 31 March 2009 to be made for over-declared output tax for periods from 1 April 1973 to 4 December 1996, and for under-claimed input tax from 1 April 1973 to 1 May 1977.

The Council has been approached by two consultants with an offer to investigate and submit any possible claims that can be made by the Council from this decision on a fee basis of a percentage of any amounts recovered.

Areas to investigate are:

- Car parking excess and penalty charges
- Bulk domestic waste collection
- Mileage claims
- Catering
- Leisure and Cultural Services

The timescales are short and if the Council is to explore this opportunity and ensure optimum recovery, expertise in these specific areas is essential.

It is not possible to assess the potential recovery for the Council (and consequential consultants fees) until the initial scoping assessment has been completed. Consultants will undertake the scoping at a nominal charge, if contracted for the full claims work, on a fee basis that is a percentage of the amount recovered (including interest).

We are seeking approval to waive the contract procedure rules (only applicable in the event that recovery of VAT is over £200,000 i.e. a fee payable in excess of £10,000) and to make an appointment on the basis of the assessment of proposals presented by two consultants that have approached the Council.

PROPOSED DECISION

That The VAT Consultancy be appointed at an initial fee of £750 and a further fee (on a no win no fee basis) of 5% of amounts recovered for claims considered likely to be accepted and £750 plus 4% for protective claims (off street car parking).

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

We could choose not to explore this opportunity; it will place some demands on the Accountancy team at a very busy time of year and it may lead to no possible claim or recovery of costs.

However, it is considered that the opportunity should be explored because there is the possibility of substantial claims at a nominal cost of £750 and some staff time to determine this.

There was little difference between the two sets of consultants in terms of price. However The VAT Consultancy presented a fuller, and more specific explanation, of approach and support, and is also a local supplier.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION
NOTICE**

None

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR
OFFICER CONSULTED**

N/A

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by:

Date of Decision

Councillor Frederick Allgood – Portfolio Holder for Finance and Efficiency