

Taunton Deane Borough Council

Executive – 21 June 2011

Windfall VAT receipt

Report of the Strategic Finance Officer

(This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

1. Executive Summary

This report gives details of a one off windfall and the S151 Officer recommendation to transfer the net amount into the General Fund Reserve.

2. Background

- 2.1 There was a national claim that the UK had interpreted the European VAT regulations incorrectly for tuition fees at Leisure Centres. This claim was upheld and as a result TDBC have through Pricewaterhouse Coopers on a no win no fee basis, claimed back VAT from Custom and Excise.

3. Windfall Receipt

- 3.1 With the expert help of Pricewaterhouse Coopers TDBC have claimed back VAT for tuition fees at Leisure Centres.
- 3.2 The amount received was £325,698.00 with interest of £396,005.23 making a total receipt of £721,703.23.
- 3.3 The charge made by Pricewaterhouse Coopers for this work was £144,339.00. This has given TDBC a one off net receipt of £577,364.23.
- 3.4 This receipt is a one off receipt that has been accounted for in 2010/11 and must not be used on ongoing budget issues. It is the s151 recommendation that this receipt is moved into general fund reserves.

4. Finance Comments

- 4.1 This is a finance report and there are no further comments to add.

5. Legal Comments

5.1 There are no legal implications of this report.

6. Links to Corporate Aims

6.1 There are no specific links to Corporate Aims.

7. Environmental Implications

7.1 There are no environmental implications of this report

8. Community Safety Implications

8.1 There are no community safety implications of this report

9. Equalities Impact

9.1 There are no equality impact issues for this report to consider.

10. Risk Management

10.1 There are no risk management issues.

11. Partnership Implications

11.1 There are no partnership implications of this report.

12. Recommendations

12.1 It is recommended that Executive approves the transfer of the one off receipt of £577,364.23 to General Fund Reserves in 2010/11, and recommends the same to Full Council.

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