



East Northamptonshire Council

Policy and Resources Committee - 9 December 2009

Fees and Charges - Changes to VAT Rate

Summary

The purpose of this report is to agree revised levels of Fees and Charges following the change to the VAT rate on 1 January 2010.

Attachment(s)

None

1. As Members may recall, in November 2008 the Chancellor of the Exchequer announced a reduction on the basic rate of VAT from 17.5% to 15%. The change came into effect from 1 December 2008 and was to stay in place until 31 December 2009.
2. At the time the Council amended its fees and charges to reflect the change in VAT with the following exceptions:-
 - Where the fee is stated as VAT inclusive.
 - Where the fee is a round amount usually collected in cash.
 - For merchandise sales where the administration of re-pricing outweighs the benefits of doing so.
3. In order to move back from a 15% to a 17.5% rate of VAT it is recommended that we simply reverse the original changes that were made, i.e. if we reduced the charge originally then we put it back up.
4. The proposed changes do not affect the base level of fee charged by the Council, simply the amount of tax we have to levy on top. Therefore the rate excluding VAT as listed in the Fees and Charges 2009/10 booklet on the Council's web site will remain the same. This report is just seeking approval to apply the increased tax level to our agreed fees and charges.
5. It should be noted that although this will result in an increase in the fee payable by those not registered for VAT, the actual income retained by the Council will remain constant. If it was decided not to increase prices as a result of the change in VAT, the Council would see a reduction in its income.
6. It is therefore **recommended** that fees and charges for 2009/10, with the exception of those listed in 2 above, be adjusted to take into consideration the revised rate of VAT applicable from 1 January 2010.

Implications:		
Corporate Outcomes or Other Policy/Priority/Strategy		
Good Quality of Life	<input type="checkbox"/>	Good Reputation <input checked="" type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/>	High Quality Service Delivery <input type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/>	Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/>	Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours		<input type="checkbox"/>

Other:		<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval		<input type="checkbox"/>
Financial	There are no financial implications at this stage	<input type="checkbox"/>
	There will be financial implications – see paragraph 5.	<input checked="" type="checkbox"/>
	There is provision within existing budget	<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date	<input type="checkbox"/>
	Decisions may have potential for income generation	<input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks	<input checked="" type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - inherent risk score - residual risk score -	<input type="checkbox"/>
Staff	There are no additional staffing implications	<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph	<input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications	<input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph	<input type="checkbox"/>
Legal	Power: Local Government Acts 1972, 1989 and 2003.	
	Other considerations:	
Background Papers: Fees and Charges Booklet		
Person Originating Report: Robert Austin, Head of Resources		
Date: 12 th November 2009		
CFO		MO
		CX

(Committee Report Normal Rev. 19)