

COUNCIL VAT REGISTRATION UPDATE

Introduction

On 25 September 2023, the full Council resolved to register for VAT with HM Revenue and Customs in-house and to 'Opt to Tax' the Ingrams Pavilion with an effective date of 1 October 2023 (ref. minute 23/165) following specialist advice which the Council had received from firm DCK Accounting Solutions Ltd.

Timeline

On 28 September 2023, the Clerk wrote to HM Revenue and Customs after having made several telephone calls requesting clarification regarding the VAT registration application online because options on the application form do not apply to the Council as a public sector body. This is because the VAT registration process is applicable mainly to private sector businesses and not to local authorities.

In addition to emailing, Council officers also called various helplines over an extended period of time. However, HM Revenue and Customs was able to provide responses. This resulted in DCK Accounting Solutions Ltd submitting an application to register for VAT on the Council's behalf on 22 November 2023.

On 12 June 2024, the Council received a letter from HM Revenue and Customs advising that because of the delay the earliest effective date the Council is able to register for VAT is 16 December 2023. The Council responded on 13 June 2024 to confirm that the effective date should be 1 October 2023 as per the Council resolution and confirming that the Council has made no supplies of the above property.

Recommendation(s)

- a) To note the update.
- b) To continue to not make any supplies of the Ingrams Pavilion or the Ingrams sports pitches until the VAT registration process is complete.