

STRATEGIC PLANNING & PLACE BUILDING CONTRACT DIRECTIVE

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REFERENCE

VALUE ADDED TAX

1. Contracts on which relief from VAT can be claimed:

Construction work is normally standard rated.

There are however, various exceptions to this where it is possible to claim relief from the payment of VAT at the standard rate, and details of exceptions and full details of the VAT treatment of construction generally are available from HMRC. (HMRC guidance Notice 708).

The HMRC Internet link is as follows -

http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageVAT_ShowContent&id=HMCE_CL_000513&propertyType=document

Consultants and in-house project managers should review each and every project and seek guidance from WSCC Finance / HMRC if there is any doubt about VAT treatment.

2. Payment of VAT

It is the responsibility of the vendor to apply the correct rate of VAT, however WSCC also has a responsibility to pay the correct rate. HMRC would not accept that WSCC has processed an invoice at the wrong rate.

Project Managers should ensure that WSCC is charged correctly on all payments.

WSCC One Way to Buy requires that, and it is the responsibility of the vendor, to e-mail a valid VAT invoice electronically to ctg.invoicing@westsussex.gov.uk, indicating the project name, purchase order number and project manager before payment can be made.

3. Voluntary Aided Schools and Academies.

The VAT rules for Voluntary Aided Schools and Academies are different to schools under the control of WSCC, so in-house project managers should always seek guidance on VAT from WSCC Finance when dealing with Voluntary Aided Schools or Academies.

4. Should you need further help please visit the VAT advice page on the WSCC Intranet or contact the VAT advice team by e-mail on BSD VAT Advice/WSCC or phone 01243 777067.