

# Causeway Coast & Glens Borough Council

To: Corporate, Policy and Resources Committee

VAT Claim

Date 08/05/15

For Decision

## 1.0 Reporting to Council

|                                  |  |
|----------------------------------|--|
| <b>Linkage to Corporate Plan</b> |  |
| <b>Strategic Priority</b>        | Establish the New Causeway Coast and Glens Borough Council |
| <b>Objective</b>                 | VAT Claim  |
| <b>Lead Officer</b>              | David Wright   |
| <b>Cost: (If applicable)</b>     | £5,000 maximum   |

## 1.1 Background

At our Council meeting on 28 April 2015 an item was tabled under correspondence relating to the possibility of an action to make a claim for VAT on postal services.

## 1.2 Detail

Council has been contacted in recent weeks by a legal firm with information regarding a potential Group Litigation Order (GLO) against Royal Mail Group Limited (Royal Mail) in relation to VAT incurred in the purchase of postage services. The situation arose as a result of another case which has opened the door for organisations who have used postal services under a licence agreement with Royal Mail and the suggestion is that claims can be made as far back as 1973. The Lead Finance Officer gave an indication that Causeway Coast and Glens Borough Council would join such an action and Council ratified this on 28 April. Since then some more information has been received setting out the process and potential fees. The initial fee is £3,000 and is capped at £5,000 for the initial claim. A copy of the letter received from Mishcon de Reya has been attached as an appendix for information. It should be noted that the letter requires an officer to be authorized to act on behalf of Council and that this be communicated by way of letter.

### **1.3 Recommendation**

**It is recommended** that the Causeway Coast and Glens Borough Council approves the Chief Finance Officer to act on behalf of Council on this matter.