

School meals – VAT increase

SUMMARY

- 1.1 To cover the change in VAT from 17.5% to 20% it is proposed to increase the price of on adult school meals by 5 pence.

RECOMMENDATION

- 2.1 To approve the increase in adult school meals by 5 pence per meal from 25 February 2011

REASONS FOR RECOMMENDATION

- 3.1 The principle of passing on the increase in VAT is part of the Medium Term Financial Strategy for the Council.

SUPPORTING INFORMATION

- 4.1 Cabinet at its meeting on 14 December 2010 delegated the implementation of specific detailed proposals on fees and charges to the relevant Cabinet Member in conjunction with the relevant Strategic Directors.
- 4.2 The VAT increase from 17.5% to 20% affects adult school meals. To cover the cost an increase of 5 pence per meal is proposed. Currently the adult meals are around £2.50 per meal and would rise to £2.55 per meal with the increase.

OTHER OPTIONS CONSIDERED

- 5.1 None, as the strategy of increasing fees and charges to cover the VAT increase has previously been approved by Cabinet.

This report has been approved by the following officers:

Legal officer	Stuart Leslie
Financial officer	Michael Kirk
Human Resources officer	NA
Service Director(s)	Steve Meynell
Other(s)	Sandra Cole

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Background papers: None

List of appendices: Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The increased VAT rate from 17.5% to 20% means that at the same meal price an increased amount of fee will be payable to HMRC. Therefore to counter this it is proposed to increase adult school meals by 5 pence per meal. It is estimated that this will bring in around £11,000 a year but that will go to HMRC.

Legal

- 2.1 None arising from the report.

Personnel

- 3.1 None arising from this report.

Equalities Impact

- 4.1 None arising from this report.

Health and Safety

- 5.1 None arising from this report.

Environmental Sustainability

- 6.1 No issues arising from this report.

Asset Management

- 7.1 No issues arising from this report.

Risk Management

- 8.1 No issues arising from this report.

Corporate objectives and priorities for change

- 9.1 Whilst the proposal does not meet any specific objectives it should ensure that the Council covers the increased costs.

