

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF

By email

22 June 2018

Freedom of Information Act (FOIA) 2000 - Request For Information

Reference: FOI 20180659

Dear 

Thank you for your request for information concerning VAT reviews.

Ofwat confirms it does hold some of the information. Please see Ofwat's responses to your questions below, plus additional information which may be useful to explain why we only hold some of the information.

Managing Public Money sets out that public sector organisations should not engage in, connive at, tax evasion, tax avoidance or tax planning. If a public sector organisation were to obtain financial advantage by moderating the tax paid by a contractor, support or other counterparty, it would usually mean that the Exchequer, as a whole, would be worse off – thus conflicting with the Accounting Officer's duties. Public sector organisations have free access to a central "Tax, Centre of Excellence" which provides routine administrative support to departments in meeting our obligations to Her Majesty's Revenue and Customs (HMRC). Further information can be found at this link <https://www.gov.uk/government/publications/managing-public-money>

HMRC Penalties

1. Has the organisation received any VAT assessments (VAT to be paid to HMRC) in the last five financial years?

Ofwat have identified elements of underpaid/under claimed VAT during this period and notified HMRC under voluntary arrangements to disclosure. HMRC assessed this as part of their review of Ofwat in 2013-14

2. Has the organisation received any VAT penalties from HMRC in the last five financial years?

No

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3. If yes, were any of these suspended penalties?

Yes – 2013/14

4. If so, please provide the total value for each of the above for each financial year they were received

- a. 2013/14: - assessment of underpaid VAT £103,447
- b. 2014/15: N/A
- c. 2015/16: N/A
- d. 2016/17: N/A
- e. 2017/18: N/A

VAT Consultancy

5. Has the organisation used any external VAT consultancy to review VAT in 2016/17? If so, please provide the following detail:

No

- a. Name of third party provider
- b. Total amount of additional VAT recovered by the provider in 16/17 based on its consultancy; split by
  - i. Overclaims
  - ii. Underclaims
- c. How much did the third party invoice for any review work undertaken?
- d. How did the third party structure their payment; based on the amount recovered on overclaims, or underclaims, or total amount recovered?
- e. Was the review charged at a fixed fee or day rate?
- f. Did the organisation procure these services through a framework? If so, please state which framework

N/A

Please list all frameworks that are available to the organisation/those you are currently signed up to, that would allow you to access VAT review services? (ie. analysis and reconciliation framework)

The Water Services Regulation Authority (Ofwat) is a Non-Ministerial Government Department and as such we do not operate preferred supplier lists. We use the following to meet our requirements: government frameworks e.g. Crown Commercial Service (CCS), ESPO and open tender (using myTenders e-procurement tool, which is free for suppliers to register). If you are interested to know how to become a

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supplier please visit the website. Ofwat usually advertises opportunities on Contracts Finder [here](#).

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If you have any queries or concerns with regard to the content of this email please do contact me, quoting the reference number. If you are unhappy with how your request has been responded to you can request an internal review. Please contact the Programme and Project Management (PPM) department at [pmo@ofwat.gsi.gov.uk](mailto:pmo@ofwat.gsi.gov.uk).

Further information concerning your rights is available from the Information Commissioner's Office at:

<https://ico.org.uk/>

or

The Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow

Yours sincerely,

Christine Manise

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