

Contract Restructuring



What is it...

Our fully comprehensive 'contract restructuring' service, which we have been operating for many years, is fully disclosed to HMRC and supported by both tax counsel and legal regulatory opinion. It presents care operators with the vehicle and group structure to **recover VAT on an ongoing basis**, and therefore capture considerable VAT savings which would previously have been unattainable. The service we offer also gives providers the means to achieve **significant benefits and efficiencies which spread well beyond VAT** in relation to their local authority/CCG fee invoicing and contract management.

In addition to the **obvious VAT savings** which it achieves for our clients, the **business efficiencies** of our 'contract restructuring' service have included:

- An opportunity to centralise the management and administration of publicly funded LA/CCG contracts and to bring processes up to date (where required)
- Improved efficiency as a result of fewer staff being involved in the management and administration of LA/CCG funding streams
- More knowledgeable contract staff who are better equipped to build relations with LAs and CCGs and also therefore better equipped to deal with annual fee negotiations
- One single point of contact or repository within the group to deal with contract administration issues
- Fully trained and VAT-educated purchase ledger, sales ledger and finance staff capable of identifying and capturing VAT (which will also be necessary should 'zero rating' subsequently be introduced by the government)
- Potential for retrospective VAT recovery upon Group VAT registration (which would be unavailable should 'zero rating' be introduced)

What We do...

- Assess your current group structure, and make full disclosure to HMRC regarding restructure (We have been implementing our service prior to the introduction of DOTAS on 1st January 2018)
- Arrange for you to speak directly to current clients who know our service and the process
- Approach LAs and CCGs on your behalf to arrange contract novation. We have a team dedicated to LA/CCG liaison
- Implement the structure which enables the contracts to be novated from VAT exempt contracts to taxable contracts
- Provide the necessary suite of approved legal agreements
- Deal with HMRC in acquiring a VAT group registration and acting as your VAT advisor for the term of our engagement (including completion of VAT returns)
- Assist with the implementation of billing/invoicing changes
- Provide bespoke VAT training and integrated VAT education programmes to those staff within the business that may require this
- Provide an embedded VAT function to help ensure compliance with VAT legislation while maximising input tax recovery on your behalf
- Provide ongoing negotiation with LAs and CCGs that may be new to the group as a result of resident movements

Next Steps...

If you would like more detail in relation to your particular care provision, please contact us:

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