

Midlothian Council offer early Christmas present

✘ Midlothian Council has granted the county an early Christmas present. The Council voted to postpone any increase in charges for council services arising from the increase in VAT until April 2011.

The decision grants people an extra three months at the current charges on relevant council services. The decision affects council charges which are VAT inclusive, the most important of which will be leisure centres.

The decision is designed to not only benefit council customers, but also save the council time and money. This is a result of implementing changes to VAT at the same time as the implementing the outcomes of the council's budget review. In April 2011 the council will have announced details of its budget review, which may result in an increase in charges to customers.

The Chancellor of the Exchequer has increased the standard rate of VAT which comes into force on 4 January 2011. Midlothian Council will protect some of its customers from the VAT increase.

Derek Milligan, Leader of Midlothian Council, said: "The people of Midlothian and the majority of residents who use council services will benefit from this decision. Implementing the two changes at the same time reduces the cost to the council of making the alterations.

"We expect to save our customers around £14,000 in total on services such as the use of leisure centres."

Other charges made by the council will incur the VAT increase from 4 January.

This will affect charges where goods and/or services are invoiced at the appropriate charge plus VAT. This method is used mainly where invoices are raised for example to recover costs.

This method is straightforward and the 20% rate will be applied from 4 January 2011. This will result in an increased cost to the customer of 2.13%, however where the customer is VAT registered they will be able to recover their VAT.