



**PWYLLGOR CYLLID A PHERFFORMIAD
FINANCE AND PERFORMANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 April 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Procedures
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Tim John, Head of Accounting and Statutory Reporting

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Each year planned reviews are undertaken of the financial procedures operated by Hywel Dda University Health Board (HDdUHB). The procedures, which set out the main financial system controls, are reviewed in terms of:

- Relevance
- Best practice
- Audit recommendations
- System change
- Health Board policy

The Finance and Performance Committee can take assurance that there is a robust review process in place in respect of financial procedures.

Cefndir / Background

The following procedure has been reviewed and is presented to the Finance and Performance Committee for approval:

- **Financial Procedure 069 – VAT**

The purpose of this document is to outline the key processes to be followed by Health Board staff in connection with the above-named financial procedure and to set out associated roles and responsibilities.

Asesiad / Assessment

- **Financial Procedure 069 – VAT**

The financial procedure is covered by a specific Financial Procedures Equality Impact Assessment (EqIA) with no negative impact.

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to **APPROVE** the following updated financial procedure:

- **Financial Procedure 069 – VAT**

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.13 Review and approve financial procedures on behalf of the Health Board
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, standing financial instructions.
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Rhestr Termiau: Glossary of Terms:	Included within the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid a Pherfformiad Parties / Committees consulted prior to Finance and Performance Committee:	HDdUHB Finance HDdUHB Local Counter Fraud Service

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial procedures are required to ensure sound financial control.
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Financial procedures are required to ensure good governance and therefore minimise risk.
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Financial procedures are required to ensure good governance and sound financial control.
Gyfrinachedd: Privacy:	Not Applicable

**Cydraddoldeb:
Equality:**

EqIA has been undertaken with no negative impacts on those with protected characteristics.

VAT

Procedure information

Procedure number: 069

Classification:

Financial

Supersedes:

Version 4

Local Safety Standard for Invasive Procedures (LOCSSIP) reference:

N/A

National Safety Standards for Invasive Procedures (NatSSIPs) standards:

N/A

Version number:

5.0

Date of Equality Impact Assessment:

03/03/2026

Approval information

Approved by:

Finance and Performance Committee (FPC)

Date of approval:

Enter approval date

Date made active:

Enter date made active (completion by policy team)

Review date:

Enter review date

Summary of document:

The purpose of this document is to outline the key processes to be followed by Hywel Dda University Health Board (HDdUHB) staff in connection with VAT and to set out associated roles and responsibilities.

Scope:

The procedure applies to all Health Board staff.

To be read in conjunction with:

[Standing Orders and Standing Financial Instructions](#) (opens in new tab)

[815 - Counter Fraud, Bribery and Corruption Policy](#) (opens in new tab)

[1054 - Purchase to Pay Financial Procedure](#) (opens in new tab)

Patient information:

[Patient Information Library](#)

Owning group:

Finance Directorate

Executive Director job title:

Director of Finance

Reviews and updates:

Version 1.0	New procedure	Approved October 2009
Version 2.0	Revised	Approved April 2017
Version 3.0	Full review	Approved July 2020
Version 4.0	Full review	Approved June 2023
Version 5.0	Full review	Approved XXX 2026

Keywords

Value Added Tax (VAT)

Glossary of terms

Supply	Goods or services provided
HMRC	His Majesty's Revenue & Customs
Non-business activities	Activities performed under a statutory obligation or for no consideration
Business activities	Discretionary activities usually performed in return for a charge
COS VAT	VAT recoverable under the Contracted-out Services VAT regime.
Contract manager	The manager responsible for the contract.

FRAUD, BRIBERY AND CORRUPTION

All staff are required to comply with the Health Board's policies and procedures and apply best practice in order to prevent Fraud, Bribery and Corruption. Staff should be made aware of their own responsibilities in protecting the Health Board from these crimes.

All staff have a duty to notify the Local Counter Fraud Department of any suspected fraud or inappropriate actions and are protected by the procedure [All Wales Procedure for NHS Staff to Raise Concerns](#) (opens in a new tab). Anyone who suspects fraud or has any concerns reference Fraud Bribery and Corruption can make a referral by contacting the Counter Fraud Department by any of the following methods;

- Telephoning the office on 01267 266268,
- Emailing HDUHB.CounterFraudTeam.HDD@wales.nhs.uk,
- Making an online referral at <https://reportfraud.cfa.nhs.uk> or
- Making an anonymous referral by telephoning Crimestoppers on 0800 028 40 60.

Staff should refer to the [815 - Counter Fraud, Bribery and Corruption Policy](#) (opens in a new tab) for further information.

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Aim

The aim of this document is to assign clear accountability in respect of the processing of VAT and to be a helpful reference document for staff with relevant responsibilities. The document will assist the Health Board to:

- be compliant with relevant laws and regulations and
- mitigate the impact of VAT as a cost to the organisation.

Objectives

The aim of this document will be achieved by way of the following objectives:

- Confirming roles and responsibilities of staff groups in connection with VAT in order to ensure clear accountability.
- Providing clear procedures and guidance for relevant teams.
- Confirming how further support can be obtained.

Roles and responsibilities

Responsibility	Staff/team responsible
<u>Determine the VAT treatment of income contracts</u>	Contract manager
<u>Specify the correct tax treatment on Requests to Raise Bills</u>	Staff member completing RRB
<u>Mitigate the financial impact of VAT on expenditure contracts where possible</u>	Contract manager
<u>Action the recovery of VAT</u>	Requisition preparer
<u>Accounting for VAT and VAT returns processing</u>	Finance

Determine the VAT treatment of income contracts

Contract managers shall:

- Correctly determine and understand the VAT treatment of an income contract or an income-generating activity for which they are responsible.
- Document and retain for future inspection evidence of how the VAT treatment was determined, including a copy of any advice received.

The above shall be completed before the commencement of the related contract or activity.

Following the above procedures will ensure that the financial implications of contracts and proposed transactions are fully understood in advance, avoiding the financial and customer relationship risks which may arise from not having taken potential VAT charges into account at the outset.

Background

Value Added Tax (“VAT”) is a tax on:

- The supply of goods or services
- in the UK
- by a VAT-registered business
- for business purposes.

Where applicable, a VAT-registered business such as HDdUHB must charge VAT when making sales of goods and services to customers. VAT collected from customers must then be paid over to His Majesty’s Revenue and Customs (“HMRC”), which collects taxes on behalf of the Government.

Possible VAT treatments

Whether and how much VAT the Health Board must charge on its supplies depends on the VAT treatment of the type of transaction in question as per VAT legislation or as per published guidance by HMRC.

There are five possible VAT treatments in the UK. These are summarised in the following table:

VAT treatment	Implication
Standard-rated	VAT is chargeable at the standard rate of UK VAT (currently 20%)
Reduced-rated	VAT is chargeable at the reduced rate of UK VAT (currently 5%)
Zero-rated	VAT is chargeable at a rate of 0%

VAT exempt	VAT is not chargeable on the supply
Outside the scope	VAT is not applicable to the transaction because it does not fall within the scope of UK VAT legislation due to e.g., not being a supply made in the UK by a VAT-registered business.

All goods and services provided by the Health Board and all receipts of income or other monies will fall into one of the five different VAT liabilities stated above.

All supplies within the scope of UK VAT are standard-rated supplies unless they specifically fall within one of the other three VAT liabilities by way of a specific provision in the legislation or otherwise by way of a special concession.

VAT treatment of NHS healthcare activities

The principal activity of HDdUHB is the provision of free NHS healthcare to the general population. This activity is performed under a statutory duty and therefore not carried out for business purposes. Accordingly, the provision of NHS healthcare is **outside the scope** of VAT.

VAT treatment of other activities

Other activities carried out by the Health Board which are discretionary and commonly provided in return for a charge, are likely to be considered business activities and are therefore likely to fall within the scope of UK VAT and may require the health board to charge VAT on top of any charges raised.

Examples of business activities carried on by HDdUHB and their respective VAT treatments are listed in the table below.

Business activity	VAT treatment
Catering to staff and visitors at restaurants	Mostly standard-rated
Room hire/space rental	Exempt
Supply of pharmaceuticals to local surgeries	Standard-rated
Private healthcare	Exempt
Mortuary services	Mostly standard-rated
Employee benefits schemes	Mostly standard-rated

How to determine the correct VAT treatment

Staff may make use of the [HDdUHB VAT treatment of income tool](#) to assist them in correctly determining the VAT treatment of a contract. This is a Microsoft Forms based tool which can be worked through in order to determine the VAT treatment of common supplies and activities carried out by the health board.

Alternatively, staff may use the resources listed in the [External links](#).

Where staff remain unsure of the VAT treatment of a contract, further advice and specific assistance may be obtained from the [Compliance and Tax Team](#) within the Finance Department.

Staff shall consult the Compliance and Tax Team before entering into large or complex contracts, including any contracts involving supplies of goods or services to overseas businesses.

Specify the correct tax treatment on Requests to Raise Bills

Staff members completing a Request to Raise a Bill form (“RRB” form) in order to request the raising of an invoice by HDdUHB’s Accounts Receivable team must specify on the form the VAT treatment of the charges to be raised.

Staff should liaise with Contract managers to obtain the correctly determined VAT treatment for this purpose.

Mitigate the financial impact of VAT on expenditure contracts where possible

Before entering into an expenditure contract for which they are responsible, Contract managers shall:

1. Consider the VAT treatment of any goods and services to be provided under the contract and understand whether VAT will be charged under the contract by the supplier.
2. Determine the eligibility of the health board to any VAT reliefs which may reduce the amount of VAT charged.
3. Determine whether any VAT charged under the contract can be recovered from HMRC.
4. Ensure that action is taken to secure any VAT reliefs or VAT recovery opportunities which are available.

Background

VAT is chargeable on most goods and services procured by the health board and represents a significant cost to the organisation. Often, there are means by which the cost of VAT on individual expenditure contracts can be mitigated, presenting opportunities for cost savings.

The financial impact of VAT can be mitigated by way of two principal means:

VAT relief Taking advantage of favourable VAT treatments which result in a lower rate of VAT being charged by the supplier.

VAT recovery Claiming a refund from HMRC for the VAT incurred.

VAT relief and VAT recovery will only be available to contracts which meet specific criteria and, in most cases, will not apply automatically and so will need to be requested or claimed. It is therefore important that any opportunities for VAT relief or recovery are considered in respect of all contracts and relevant actions are taken in order to secure any favourable treatments which may be available. Where the impact of VAT cannot or has not been mitigated, it is important that it is taken into account in procurement decisions and financial budgets.

Determining whether VAT will be charged by the supplier

VAT-registered suppliers to the health board are responsible for correctly determining the VAT treatment of supplies made to the health board and charging VAT to the health board where applicable.

Contract managers should engage with potential suppliers during the arrangement of contracts in order to understand the supplier's proposed VAT treatment in respect of any supplies to be made under the contract and therefore whether it intends to charge VAT.

Determining eligibility to VAT reliefs

Once the supplier's proposed VAT treatment is understood, Contract managers shall consider whether the supplier's proposed VAT treatment is technically correct or whether an alternative, potentially more favourable, VAT treatment, such as a reduced-rate of VAT or a VAT exemption, should apply. Where this is the case, Contract managers should discuss with the potential supplier.

VAT relief for charitable-funded equipment for medical use

A common VAT relief available to NHS bodies is the zero-rating of purchases of certain equipment to be used for a medical purpose using charitable or donated funds.

Further detail regarding this VAT relief, including instructions on how to request the relief, is provided within the following financial procedure: [420 - Charitable Funds Financial Administration and Governance Procedure](#) (opens in new tab).

Conclude whether any VAT charged can be recovered

VAT incurred by NHS bodies in connection with NHS healthcare activities can be recovered where it is incurred on the purchase of specific categories of services which have been “contracted-out” to external providers. The relevant rules regarding the recovery of VAT on NHS healthcare activities are referred to as the Contracted-out services (“COS”) VAT regime.

The following 5 conditions must be met for VAT incurred by an NHS body to be recoverable under the COS VAT regime:

Conditions for recovery of VAT under the COS VAT regime	
1. The supply must be a service.	<i>NHS bodies cannot therefore recover VAT incurred on the purchase of goods and equipment items.</i>
2. The service in question must be of a type which falls within one of a number of eligible categories of services referred to as COS VAT “headings”.	<i>A list of the COS headings most relevant to NHS bodies can be seen in Appendix A</i>
3. The service must have been “contracted-out” to the external supplier, that is, it must be a service which the NHS body could have performed in-house but instead chose to outsource.	<i>This provision therefore removes the possibility for VAT recovery on supplies such as statutory audit or certification services, which are required to be carried out by an independent body.</i>
4. The service must have been obtained for non-business NHS healthcare purposes.	

5. The VAT is recovered by 30 June after the end of the financial year in which the supply is received.	
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Where a Contract Manager concludes that the contract for which they are responsible satisfies all 5 conditions, the Contract Manager may accept that the VAT incurred under the contract is recoverable and shall proceed to [Action the recovery of VAT](#).

Where staff are unsure of the recoverability of the VAT incurred under a contract, further advice and specific assistance may be obtained from the [Compliance and Tax Team](#) within the Finance Department.

Specialist VAT advice should be obtained in order to confirm the recoverability of VAT on large or complex contracts for goods or services, this includes capital building projects and transactions involving overseas businesses. Such specialist advice can be obtained from the Finance Department.

All recoveries of VAT must be supported by a valid VAT invoice.

Action the recovery of VAT

Where a contract for the purchase of services has been determined to be VAT-recoverable, staff preparing the related purchase requisition shall action the recovery of VAT by assigning the requisition with a VAT-recoverable "Tax classification".

A VAT-recoverable tax classification assigned to the resulting Purchase Order will automatically action the recovery of VAT on the related VAT invoice when it is processed.

Instructions on how to change the tax classification of a requisition are included within [Appendix B](#). A list of commonly used Tax classification codes available via the iProcurement system are listed in [Appendix A](#). Staff should note that there is a specific tax classification relating to each COS VAT heading. Staff shall ensure that the tax classification used corresponds to the COS VAT heading under which the service in question falls.

Accounting for VAT and VAT returns processing

Accounting for VAT

The Finance department shall ensure that all invoices which are to include a charge for VAT (as specified in the related RRB form) shall be raised as a valid VAT invoice. Details of what constitutes a valid VAT invoice is set out in section 4 of [HMRC VAT Notice 700/21 Record keeping](#).

All non-invoiced income, including cash and card payments, shall be linked to an activity code set up within the finance system. Each activity shall be assigned a VAT liability, enabling all income subject to VAT to be split-coded. The Finance department shall determine and periodically review the VAT liability of all activity codes.

Processing of monthly VAT returns

A business must declare to HMRC, within a VAT return, the amount of VAT it has accounted for on its income and the amount of VAT it wishes to recover in connection with its expenditure. A VAT return will cover a period of activity, this being one calendar month for NHS bodies. Where there is an excess of VAT recoverable over VAT payable within a particular VAT return period, the health board will be due a net repayment of VAT from HMRC. This repayment will be made shortly after the submission of the return.

The Compliance and Tax Team within the Finance department shall prepare and submit a VAT return to HMRC in respect of each calendar month in advance of the relevant monthly filing deadline, which is one month and 7 days after the end of the month in question. Each VAT return shall be based on activity within the VAT Control Account in the month to which it relates subject to any corrective or mandatory VAT adjustments. The Compliance and Tax Team shall reconcile the VAT control account on a monthly basis.

The Finance department shall ensure that information required to substantiate the contents of VAT returns is retained for six years.

Correspondence with HMRC

All correspondence with HMRC shall be managed by the Compliance and Tax Team within the Finance department. In the event of a compliance review or statutory enquiry raised by HMRC, HDdUHB shall fully comply with any requests for information and co-operate fully with HMRC in order to assist in bringing any review efficiently to a close.

External links

Resource	Link
HMRC VAT notices Summary VAT guidance documents published by HMRC	HMRC VAT notices
HMRC internal VAT manuals Detailed technical VAT guidance published by HMRC	HMRC VAT manuals
HMRC COS VAT guidance	HMRC COS VAT guidance
Primary VAT legislation The VAT Act 1994 (VATA 1994)	Value Added Tax Act 1994

Compliance and Tax Team

For further advice and assistance in connection with this procedure, please contact:

Gareth H Jones

Deputy Head of Compliance and Tax
Gareth.Jones19@wales.nhs.uk

Kimberley Mason

Senior Accounts Assistant (Compliance and Tax)
Kimberley.Mason@wales.nhs.uk

Monitoring and review

The Finance department shall be responsible for the on-going monitoring and review of this procedure. Reviews shall be undertaken every 3 years, or when changes are identified prior to the review date, in line with the Health Board's review policy.

Appendix A – COS VAT headings relevant to the NHS

The following shall be read in conjunction with [HMRC's COS VAT guidance](#).

COS Heading	Oracle tax classification	Description
1	R01	Accounting, invoicing and related services
9	R09	Cash in transit services
10	R10	Catering
13	R13	Collection, delivery and distribution services
14	R14	Computer services supplied to the specification of the recipient
15	R15	Conference and exhibition services
16	R16	Debt collection
17	R17	Departmental staff records and payroll systems incl. pension administration
21	R21	Estate management services
23	R23	Filming, audio-visual and production services
24	R24	Health promotion activities
25	R25	Hire of reprographic equipment including repair and maintenance
26	R26	Hire of vehicles, including repair and maintenance
28	R28	Interpretation and translation services
31	R31	Laboratory services
32	R32	Laundry services
33	R33	Library services
35	R35	Maintenance, repair and cleaning of buildings
37	R37	Maintenance, repair and cleaning of equipment, plant, vehicles and vessels
39	R39	Medical and social surveys
40	R40	Messenger, portering and reception services
41	R41	Nursing services
42	R42	Office removals
45	R45	Operation, including the provision of any related services, of hospitals, health care establishments and health care facilities
47	R47	Passenger transport services
48	R48	Pest control services
49	R49	Photographic, reprographic, graphic and design services
52	R52	Professional advice
54	R54	Publicity services including those provided through a digital medium
55	R55	Purchasing and procurement services
56	R56	Broadcasting services via radio, radio bandwidth or the internet
57	R57	Recruitment and relocation of staff and other related services
60	R60	Security services, incl. security guards, CCTV monitoring and secure transport
61	R61	Services of printing, copying, reproducing or mailing of any documents or publications
63	R63	Storage, distribution and goods disposal services
65	R65	Training, tuition or education
69	R69	Typing, secretarial, telephonist and clerical services
70	R70	Waste disposal services
71	R71	Welfare services
74	R74	Original research undertaken in order to gain knowledge and understanding

Appendix B – How to change the tax classification of a requisition on the Oracle iProcurement system

1) Within the Shopping Cart, click on the magnifying glass next to the Tax Classification Code box.

The screenshot shows the 'Shopping Cart' interface. At the top, there are fields for 'Description' (Example VAT-recoverable service), 'Note To Approver', 'When do you need these items?' (14-Jun-2023 00:00:00), and 'Where do they need to be delivered?' (250061 Finance Ty Gorwel). Below this is the 'Tax Information' section, where the 'Tax Classification Code' is currently set to 'NONREC'. A magnifying glass icon next to this field is circled in red. Below the tax information is a table with columns: Line, Item Description, Unit, Quantity, Price, Amount (GBP), and Delete. The table contains one line item: Line 1, Example VAT-recoverable service, Unit GBP, Quantity 100, Price 1 GBP, Amount 100.00. At the bottom, there are buttons for 'Continue Shopping', 'Proceed to Checkout', and 'Save'.

2) In the pop-up window, remove “NONREC” from the search box to return a list of all possible tax classification codes.

The screenshot shows a pop-up window titled 'Search and Select: Tax Classification Code'. It has a search bar and a 'Go' button. Below the search bar is a 'Results' section with a table. The table has columns: Select, Quick Select, Tax Classification, and Tax Classification Name. The table contains several rows of results, with 'R28 Interpretation & Translation' selected. The 'Select' column has radio buttons, and the 'Quick Select' column has magnifying glass icons. The 'Tax Classification' column has a dropdown arrow, and the 'Tax Classification Name' column has a dropdown arrow. The table is paginated, showing 'Rows 21 to 50'.

3) Select the desired code (in this example, “R28” means “Recoverable under COS heading 28”). Click “Select”. Your requisition will now be assigned the newly selected tax classification code.

The screenshot shows the 'Shopping Cart' interface, similar to the first screenshot. The 'Tax Classification Code' field is now set to 'R28'. The table below still shows the same line item: Line 1, Example VAT-recoverable service, Unit GBP, Quantity 100, Price 1 GBP, Amount 100.00. The buttons at the bottom are 'Continue Shopping', 'Proceed to Checkout', and 'Save'.

Equality Impact Assessment (EqIA) Screening Template

When to complete an EqIA Screening

An EqIA Screening Template must be completed when reviewing, changing and developing procedures/ proposals/ projects/ policies. This is a first step and is used to consider whether there are any negative impacts that may arise.

Purpose of an EqIA Screening Template

The purpose of this short exercise is to ensure that you have shown appropriate due regard when considering the impact for people with protected characteristics in your decision making. The screening process is designed to help you consider the circumstances and to inform evidence-based decisions.

If the proposal is of a significant nature and it is apparent from the outset that a full EqIA will be required, then it is not necessary to complete this Screening Template, you can proceed to complete the full [EqIA](#).

If no negative impacts are identified following completion of the EqIA screening then it is not necessary to undertake a full EqIA however, the decision and justification must be clearly recorded in this document.

On completion of the Screening Template:

- Ensure that all the white boxes within the screening are completed.
- Ensure that the Procedure/ Project/ Proposal/ Policy owner has signed and dated the Screening Template.
- Send a copy of the completed template along with the related policy or project proposal to Inclusion.hdd@wales.nhs.uk for the Diversity & Inclusion Team to review.
- Each Screening Template will be reviewed by the Diversity & Inclusion Team and feedback will be provided to the Procedure/ Project/ Proposal/ Policy owner. This may include recommendations for further action to inform robust decision-making.

Support

For further support please visit the [EqIA Sharepoint](#) or contact:

Email: Inclusion.hdd@wales.nhs.uk

Tel: 01554 899055

Director and Directorate	Huw Thomas, Finance
Service Area	Hywel Dda University Health Board wide

Title of Procedure, Project, Proposal, Policy being screened:	069 - VAT
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Description of the Procedure/ Project/ Proposal/ Policy being screened (including key aims and objectives)

The purpose of this procedure is to outline the key processes to be followed by Hywel Dda University Health Board (HDdUHB) staff in connection with VAT and to set out associated roles and responsibilities.

The aim of this document is to assign clear accountability in respect of the processing of VAT and to be a helpful reference document for staff with relevant responsibilities. The document will assist the Health Board to:

- be compliant with relevant laws and regulations and
- mitigate the impact of VAT as a cost to the organisation.

The aim of this document will be achieved by way of the following objectives:

- Confirming roles and responsibilities of staff groups in connection with VAT in order to ensure clear accountability.
- Providing clear procedures and guidance for relevant teams.
- Confirming how further support can be obtained.

Evidence considered (including staff and population data, relevant research, expert and community knowledge etc.)

- Standing Orders and Standing Financial Instructions
- Counter Fraud, Bribery and Corruption Policy
- Purchase to Pay Financial Procedure
- HMRC VAT notices
- HMRC VAT manuals
- HMRC COS VAT guidance
- Value Added Tax Act 1994

Assess which protected characteristics will potentially be affected by the proposal in the table below (please ✓ the relevant box to confirm positive, negative or no impact).

If at any point a negative impact has been identified (actual or potential), you do not need to proceed with the completion of this form, as a full EqlA must be undertaken: [Equality Impact Assessments \(EqlAs\) \(sharepoint.com\)](https://sharepoint.com)

Age				
Is it likely to affect older and younger people in different ways or affect one age group and not another?				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on people of different age groups.				
Disability				
Is it likely to affect those with a physical disability, learning disability, sensory loss or impairment, mental health conditions, long-term medical conditions such as diabetes?				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will no impact on those with a disability.				
Gender Reassignment				
Is it likely to affect those who either:				
<ul style="list-style-type: none"> • Have undergone, intend to undergo or are currently undergoing gender reassignment. • Do not intend to undergo medical treatment but wish to live in a different gender from their gender at birth 				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on those who have undergone gender reassignment.				
Marriage / Civil Partnership				
Under the Equality Act, the characteristic of Marriage and Civil Partnerships is only protected in the workplace/ employment.				
Is it likely to affect those who are married or in a Civil Partnership? This means someone who is legally married or in a civil partnership.				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: This group is in relation to workplace and employment only and is therefore not relevant for this policy.				
Pregnancy and Maternity				
Is it likely to affect those who are pregnant or have recently had a baby? Maternity covers the period of 26 weeks after having a baby, whether or not they are on Maternity Leave.				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on those who are pregnant or have recently had a baby.				
Race / Ethnicity				
Is it likely to affect people of a different race, nationality, colour, culture or ethnic origin including non-English / Welsh speakers, Gypsies/Travellers, asylum seekers and migrant workers?				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>

Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on people of different race or ethnicity.				
Religion or Belief Is it likely to affect people who have a religion or belief? The term 'religion' includes a religious or philosophical belief.				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on people who have a religion or belief.				
Sex Is it likely to affect people who are mostly male or female. Where it applies to both equally does it affect one differently to the other?				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on one sex more than the other.				
Sexual Orientation Whether a person's sexual attraction is towards their own sex, the opposite sex or either.				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on individuals regardless of their sexual orientation.				
Armed Forces Community Consider whether this impacts on members of the Armed Forces and their families, whose health needs may be impacted long after they have left the Armed Forces and returned to civilian life. Also consider their unique experiences when accessing and using day-to-day public and private services compared to the general population. It could be through 'unfamiliarity with civilian life, or frequent moves around the country and the subsequent difficulties in maintaining support networks, for example, members of the Armed Forces can find accessing such goods and services challenging.' For a comprehensive guide to the Armed Forces Covenant Duty and supporting resource please see: Armed-Forces-Covenant-duty-statutory-guidance				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on members of the Armed Forces and their families.				
Socio Economic Duty Consider those on low income, economically inactive, unemployed or unable to work due to ill-health. Also consider people living in areas known to exhibit poor economic and/or health indicators and individuals who are unable to access services and facilities. Food / fuel poverty and personal or household debt should also be considered. For a comprehensive guide to the Socio-Economic Duty in Wales and supporting resources please see: more-equal-wales-socio-economic-duty				
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>	No Impact <input checked="" type="checkbox"/>

Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on individuals of different socio economic groups.			
Welsh Language Is it likely to impact on opportunities for people to use the Welsh language? The Welsh language should be treated no less favourably than the English language.			
Positive Impact	<input type="checkbox"/>	Negative Impact	<input type="checkbox"/>
No Impact	<input checked="" type="checkbox"/>		
Justification of impact identified: The processes to be followed by staff in connection with VAT will have no impact on opportunities for people to use the Welsh language.			

If a negative impact has been identified, you are not required to complete this form as a full EqlA must be undertaken. A full EqlA template and guidance can be found on the following link: [Equality Impact Assessments \(EqlAs\) \(sharepoint.com\)](https://sharepoint.com)

Screening Completed by:	Name	Sarah Morgan
	Title	Finance Analyst
	Contact details	sarah.morgan16@wales.nhs.uk
	Date	27/2/26
Screening Authorised by: (Directorate level owner of the procedures/ proposals/ projects/ policy)	Name	Timothy John
	Title	Head of Accounting & Statutory Reporting
	Contact details	Timothy.john@wales.nhs.uk
	Date	27.02.26
Guidance has been provided by Diversity & Inclusion Team:	Name	Alan Winter
	Title	Senior Diversity & Inclusion Officer
	Contact details	Alan.winter@wales.nhs.uk
	Date	3/3/2026
Diversity and Inclusion Team additional Comments:		

Please note: The D&I team will save a copy of the completed form for reference. If any changes are made after the date of review, it is the directorate's responsibility to update the EqlA and inform the D&I team.