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To:
Providers of NHS 111 Services
Lead Commissioners

8 February 2016

Dear Colleague,

Re: VAT Advice to Providers and Commissioners of Integrated Urgent Care

The Integrated Urgent Care Commissioning Standards published in October 2015 outline the new model of Integrated Urgent Care. Commissioners will need to take into account these commissioning standards when procuring new integrated urgent care services.

NHS England recognises that in order to implement this new model, different contractual arrangements may need to be put into place and that as a result of this the position with regard to the applicability of VAT may be unclear. This is because some services which have previously been commissioned separately with their own specific VAT arrangements (e.g. out of hours, which is generally exempt from VAT and NHS111, which is not exempt but where VAT is reclaimable) may now be commissioned together potentially under a single contract.

NHS England is working with HMRC to clarify the VAT position in relation to the supply of integrated urgent care services and we hope to be able to update commissioners and providers on this issue in the future. In the meantime, NHS England recommends that expert VAT advice is sought prior to any procurement process to ensure that commissioners and providers are clear on the VAT implications of the locally determined contractual arrangement. The outcome of HMRC on the VAT treatment will depend on the contract signed with the provider and this could differ to any third party advice received by the commissioner.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Richard Barker'. The signature is fluid and cursive, with the first name 'Richard' and the last name 'Barker' clearly distinguishable.

Richard Barker
Interim National Director: Commissioning Operations