

# Pensions Committee

2pm, Wednesday, 18 December 2013

## EU Tax Claims

Item number	5.8
Report number	
Wards	All

### Links

---

Coalition pledges	
Council outcomes	<a href="#">CO26</a>
Single Outcome Agreement	

### Alastair Maclean

Director of Corporate Governance

Contact: Esmond Hamilton, Financial Controller

E-mail: [Esmond.Hamilton@edinburgh.gov.uk](mailto:Esmond.Hamilton@edinburgh.gov.uk) | Tel: 0131 469 3521

# Executive summary

## EU Tax Claims

### Summary

---

This report summarises activity on EU tax claims made on behalf of the Lothian Pension Fund.

### Recommendations

---

Committee is asked to note the progress made in reclaiming EU taxes suffered on dividends.

### Measures of success

---

Success is measured by the amount of tax recovered exceeding the cost of pursuing the claims.

### Financial impact

---

EU tax claims totalling in excess of £10m have now been lodged with the relevant tax authorities. Professional fees amounting to £493.3k have been incurred to date. As previously agreed by Pensions Committee, it is likely that further legal costs will be incurred in pursuing the claims. However, any legal costs are shared across a pool of fellow claimants and Lothian Pension Fund has the right to cease participation without incurring further costs.

Currently, claims paid to date exceed the costs incurred by £561.6k. The financial position can be summarised as follows:

	<b>Total Claims</b> £'000	<b>Claims Settled</b> £'000	<b>Claims Outstanding</b> £'000	<b>Costs to Date</b> £'000
<b>Claim Type</b>				
Manninen	2,626.7	Nil	2,626.7	49.5
Fokus Bank	3,535.7	1,054.9	2,480.8	351.8
Manufactured Dividends	3,928.6	Nil	3,928.6	92.0
	<b>10,091.0</b>	<b>1,054.9</b>	<b>9,036.1</b>	<b>493.3</b>

### Equalities impact

---

There are no equalities impacts arising from this report.

## Sustainability impact

---

There are no sustainability impacts arising from this report.

## Consultation and engagement

---

The Consultative Panel for the Lothian Pension Funds, comprising employer and member representatives, is integral to governance

## Background reading / external references

---

Detailed information can be found in the version of this report prepared for the meeting of the Pension Audit Sub-Committee on 16 December 2013.

## Links

---

### Coalition pledges

**Council outcomes** CO26 – The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

### Single Outcome Agreement

**Appendices** None