

HOMELESSNESS / Tax authorities puts flats project in jeopardy

Charity petitions PM over £1m VAT bill

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HOMELESSNESS charity, Caritas Anchor House, was preparing a petition for 10 Downing Street this week with a direct appeal to the Prime Minister David Cameron to intervene in its dispute with the Government over an unexpected £1 million VAT bill.

The petition, due to be presented last Thursday, has been signed by 102 Caritas Anchor

House residents in Canning Town, east London. It points out that the bill has forced the charity to mothball its development of 25 flats for homeless people preparing for independent living.

Lyn Brown, Labour MP for West Ham, and Baroness Meacher will apply for adjournment debates on behalf of the charity in the House of Commons and the House of Lords later this month. Director Keith Fernett said Caritas Anchor House is

“building a coalition in order to force the Government’s hand”.

At a reception to mark World Homeless Day in the House of Lords last week, the chairman of trustees, Mgr John Armitage, said the tax bill had come from a government with which the charity was supposed to be working in partnership. He recalled David Cameron’s pledge at the Conservative Party Conference to mount “an all-out assault on poverty” and said Caritas Anchor

House had the same objective. The charity still needs to raise £2.8m to complete the flats development. Mr Fernett estimated the costs of appealing the decision could reach £2m.

A spokesperson for HMRC said: “VAT status is a matter of law, determined by the nature and activities of the individual organisation. Although the tax payable in law has to be paid, we will always provide practical support and advice when approached.”

