

NOTICE OF MOTION REGARDING FAIR TAX DECLARATION

Council:	22 February 2024
Report Author	Nick Hughes, Committee Services Manager
Portfolio Holder	Councillor Yates, Cabinet Member for Corporate Services
Status	For Decision
Classification:	Unrestricted
Ward:	All Wards

Executive Summary:

This Council is being asked to consider a notice of motion requesting that the Council resolves to approve the Fair Tax Declaration. This would include the Council leading by example and demonstrating good practice in their tax conduct.

Recommendation(s):

With reference to the options in section 2.0 of the report, Council is invited to consider the motion.

Corporate Implications:

Financial and Value for Money

There are no financial implications arising directly from this report. Subject to Councillors agreeing to defer the motion, the full financial implications will be set out in a report to the next meeting of Full Council.

Legal

Council Procedure Rule 3.7 states that: "the Member whose name appears first on the notice will move the motion during his or her speech and call for a seconder. If seconded, a Member from the controlling political group will be entitled to a reply, after which the motion shall stand referred without further discussion to the Cabinet or appropriate committee for determination or report unless the Council decides to debate the motion in accordance with Rule 16" (*rules of debate*)

Risk

Corporate

Council Procedure Rule 3 provides the opportunity for Councillors to give advance notice of motions to be put to Council.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no specific equality issues arising from this report.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *To keep our district safe and clean*
- *To deliver the housing we need*
- *To protect our environment*
- *To create a thriving place*
- *To work efficiently for you*

1.0 Introduction and Background

1.1 The following motion has been received from Councillor Austin in accordance with Council Procedure Rule No. 3:

“The Green Group is proposing this motion to highlight the positive role that tax plays in our society. Tax should not be seen as a burden, as it is characterised by some politicians and certain media. If we all pay our fair share, it is a means of funding essential public services and ensuring all our communities are properly supported.

As a responsible public body, we want to lead by example, to stand up for better standards and campaign to change public procurement rules. Between 2014 and 2019, 17.5% of public procurement contracts were won by businesses with a connection to a tax haven. We find this unacceptable - and so do the majority of the public. Polls show over 60% of people believe public bodies should be able to

consider company ethics and responsible tax conduct when awarding contracts to suppliers - but at present we are not permitted to do so.

We are therefore asking Council to support the following motion:

This Council resolves to:

Approve the Councils for Fair Tax Declaration.

Lead by example and demonstrate good practice in our tax conduct, right across our activities.

Ensure IR35 is implemented robustly and contract workers pay a fair share of employment taxes.

Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.

Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately by suppliers as an artificial device to reduce the payment of tax and business rates.

Demand clarity on the ultimate beneficial ownership of suppliers UK and overseas and their consolidated profit & loss position, given lack of clarity could be strong indicators of poor financial probity and weak financial standing.

Promote Fair Tax Mark certification especially for any business in which we have a significant stake and where corporation tax is due.

Support Fair Tax Week events in the area, and celebrate the tax contribution made by responsible businesses are proud to promote responsible tax conduct and pay their fair share of corporation tax.

Support calls for urgent reform of UK procurement law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.”

2.0 Options

- 2.1 To debate the motion - please refer to paragraph 3.0
- 2.2 Not to debate the motion, in which case the motion will fall.

3.0 Decision Making Process

- 3.1 As only Full Council can agree to this motion, if the motion falls then it will not be referred to any other committee.
- 3.2 If Members vote to debate the motion, then Members should consider paragraph 3.8 (viii) of the Council Procedure Rules. It states 'The Council should not debate any motion which would give rise to a significant change to income of the Council, to its expenditure or contract terms, unless it has received a report from the Chief Finance Officer or the Monitoring Officer as appropriate setting out the legal or financial effect of the motion,'
- 3.3 As such, Council should defer the item to the next regular Full Council meeting where it can receive a full report on the financial and legal impact of the proposed motion. This will allow for a full and informed debate on the motion. At the end of that debate Full Council can then choose to adopt the motion or not.

Contact Officer: Nick Hughes, Committee Services Manager

Reporting to: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

Annex List

There are no annexes with this report.

Background Papers

There are no background papers with this report.

Corporate Consultation

Finance: Chris Blundell (Director of Corporate Services - Section 151)

Legal: Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)