



## COUNCIL – 27TH JANUARY 2015

**SUBJECT: NOTICE OF MOTION - TAX JUSTICE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES**

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### 1. PURPOSE OF REPORT

- 1.1 Council is asked to consider the Notice of Motion as set out in Paragraph 3 of this Report. In accordance with Rule 11 (3) of the Constitution, the Mayor has agreed to allow the motion to be dealt with at Council, without being first discussed at an overview and scrutiny committee.

### 2. BACKGROUND

- 2.1 A Notice of Motion has been received from Councillor Jan Jones and is supported by Councillors Nigel Dix, Mrs Pat Cook, Allan Rees and Colin Durham..
- 2.2 The Notice of Motion meets the criteria set out in the Council's Constitution and in accordance with the Council's Rules of Procedure is now referred to Council for consideration.

### 3. REPORT

- 3.1 Councillors Jan Jones, Nigel Dix, Pat Cook, Allan Rees and Colin Durham request in their Notice of Motion that:-

"This council resolves to send a letter to all three local MPs asking them to support the following motion and raise this vital issue in Parliament.

While many ordinary people face falling household income and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a tax system that fails to make them pay their fair share. Local governments in developing countries and the UK alike would benefit from a fairer tax system where multinational companies pay their fair share, enabling authorities around the world to provide quality public services. The UK government must listen to the strength of public feeling and act to end the injustice of tax dodging by large multinational companies, in developing countries and the UK".

- 3.2 The following information is provided by the Members in support of their notice of motion.

#### **Reasons for the Motion:**

- It has been estimated that the UK Treasury loses as much as £12 billion to tax dodging by multinational companies every year. Developing countries lose three times more to tax dodging than they receive in aid each year - enough to give a basic education to the 57 million children currently missing out.
- The UK has a particular responsibility to end tax dodging, as it is responsible for 1 in 5 of the world's tax havens in the British Overseas Territories and Crown Dependencies.
- The use of tax havens by UK companies is rife, with 98 of the FTSE 100 companies routinely using tax havens.

- Large multinational companies pay as little as 5% in corporate taxes globally, while smaller businesses pay up to 30%.

**This Council Believes:**

- As a local authority we have a duty to provide the best possible public services.
- Our ability to provide quality local services would be significantly enhanced by the increased revenues from the government tackling tax dodging.
- All who benefit from public spending should contribute their fair share.
- The UK must take a lead role in creating a fairer tax system and combating tax dodging.

**4. EQUALITIES IMPLICATIONS**

4.1 There are no equalities implications associated with this report.

**5. FINANCIAL IMPLICATIONS**

5.1 There are financial implications associated with this report.

**6. PERSONNEL IMPLICATIONS**

6.1 There are personnel implications associated with this report.

**7. CONSULTATIONS**

7.1 There has been no consultation undertaken.

**8. RECOMMENDATIONS**

8.1 Council is asked to consider the Notice of Motion outlined in paragraph 3 above.

Author: Helen Morgan, Committee Services Officer.