

NOTICE OF MOTION – STANDING UP FOR RESPONSIBLE TAX CONDUCT

To consider the undersigned Notice of Motion standing in the name of County Borough Councillor P. Marsden and supported by the Members listed.

The Motion asks Council to note that:

The pressure on organisations to pay the right amount of tax in the right place at the right time has never been stronger.

Polling from the Institute for Business Ethics finds that “corporate tax avoidance” has, since 2013, been the clear number one concern of the British public when it comes to business conduct.

Almost two-thirds (63%) of the public agree that the Government and local councils should consider a company’s ethics and how they pay their tax as well as value for money and quality of service provided, when undertaking procurement.

Around 17.5% of public contracts in the UK have been won by companies with links to tax havens.

It has been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £7bn per annum in lost corporation tax revenues.

The Fair Tax Mark offers a means for business to demonstrate good tax conduct and has been secured by wide range of businesses across the UK, including FTSE-listed PLCs, co-operatives, social enterprises and large private businesses.

Caerphilly County Borough Council recognises that:

Paying tax is often presented as a burden, but it shouldn’t be. Tax enables us to provide services from education, health and social care, to flood defence, roads, policing and defence. It also helps to counter financial inequalities and rebalance distorted economies.

As recipients of significant public funding, local authorities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.

Where substantive stakes are held in private enterprises, then influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned - e.g., no use of marketed schemes requiring disclosure under DOTAS regulations (Disclosure Of Tax Avoidance Schemes) or arrangements that might fall foul of the General Anti-Abuse Rule.

More action is needed, however, current law significantly restricts councils’ ability to either penalise poor tax conduct or reward good tax conduct, when buying goods or services.

UK cities, counties and towns can and should stand up for responsible tax conduct - doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

Therefore, this motion asks Council to: -

1. Approve the Councils for Fair Tax Declaration.
2. Lead by example and demonstrate good practice in our tax conduct as a council.
3. Ensure contractors implement IR35 robustly and pay a fair share of employment taxes.
4. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
5. Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates.
6. Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.
7. Promote Fair Tax Mark certification for any business in which we have a significant stake and where corporation tax is due.
8. Support Fair Tax Week events in the area and celebrate the tax contribution made by responsible businesses who say what they pay with pride.
9. Support calls for urgent reform of EU and UK law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.



Signed: Councillor P. Marsden

Supported by:

Councillor James Pritchard

Councillor Eluned Stenner

Councillor Nigel George

Councillor Shayne Cook

Councillor Ross Whiting

Councillor Colin Gordon

Councillor Andrew Whitcombe

Councillor Walter Williams

Councillor Gary Johnson

Councillor Julian Simmonds

Councillor Carol Andrews

Councillor David Harse

Councillor Lisa Phipps

Councillor Sean Morgan

Councillor Denver Preece

Councillor Leeroy Jeremiah

Councillor Gez Kirby

Councillor Arianna Leonard

Councillor Philippa Leonard

Councillor Brenda Miles

Councillor Carl Thomas

Councillor Lindsey Harding

Councillor Kevin Etheridge

Councillor Colin Mann

Councillor John Roberts

Councillor Theresa Parry

Councillor Charlotte Bishop

Councillor John Taylor

Councillor Mike Davies

Councillor Alan Angel