



ADUR & WORTHING
COUNCILS

Adur Joint Strategic Sub-Committee
10th January 2023

Key Decision: [Yes/No]

Ward(s) Affected: All
Portfolio: Resources

Referral of Motion on Notice from Adur District Council

Report by the Director for Communities

Officer Contact Details

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1. Purpose

- 1.1. This report sets out a motion (attached as Appendix 1) referred from the meeting of Adur District Council on the 15th December 2022.
- 1.2. Members of the Adur Joint Strategic Sub-Committee are asked to consider and determine the Motion.
- 1.3. Members can either support the motion and ask for further work to be carried out in this regard, or, members can reject the motion.

2. Recommendations

- 2.1. That the Adur Joint Strategic Sub-Committee support the motion and determine how further work is carried out; or,
- 2.2. That the Adur Joint Strategic Sub-Committee reject the motion.

3. Context

- 3.1. At its meeting on the 15th December 2022, Adur District Council received a motion from Councillor Lee Cowen, seconded by Councillor Carol O'Neal, details of which can be found at Appendix 1.
- 3.2 The content of the motion is relevant to a matter in relation to which the Council had powers or duties and which specifically affects the District.
- 3.3 The motion contained subject matter that was within the remit of the Joint Strategic Committee and its Sub-Committees. It also included a proposal for the Council to take substantive actions which were within the remit of the Joint Strategic Committee and its Sub-Committees.
- 3.4 During consideration of the motion by Adur Full Council, a motion without notice (CPR 15.1(d)), referring the motion to the Adur Joint Strategic Sub-Committee for consideration, was proposed, seconded and supported.
- 3.5 Where a motion has been referred by Full Council to the Adur Joint Strategic Sub-Committee, the mover, or the seconder in the absence of the mover, shall be entitled to attend the relevant meeting and explain the motion. Councillor Lee Cowen has been made aware that the motion has been referred to this Sub-Committee.

4. Issues for consideration

- 4.1 The Adur Joint Strategic Sub-Committee can either support or reject the motion.
- 4.2 Should the Adur Joint Strategic Sub-Committee support the motion, then the Committee should ask Officers to prepare a further report on the substantive issues to be presented at a future meeting of the Sub-Committee.

5. Financial Implications

- 5.1 Part of the motion requires the Council to undertake significant additional due diligence work around the tax affairs of others (resolution points 5 and 6). Therefore the motion contains substantive actions and if accepted there may be resultant financial implications in the future.

6. Legal Implications

- 6.1 Rules concerning motions are set out in the Council's Constitution under paragraph 14 of the Council's Procedure Rules.

Background Papers

Motion to Adur District Council on the 15th December 2022

Fair Tax Motion

Full Council notes that:

1. The pressure on organisations to pay their fair share of tax has never been stronger.
2. 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.
3. Two thirds of people (66%) believe the Government and local councils should at least consider a company’s ethics and how they pay their tax, as well as value for money and quality of service provided, when awarding contracts to companies.
4. Around 17.5% of public contracts in the UK have been won by companies with links to tax havens.
5. It has been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.
6. The Fair Tax Mark offers a means for businesses to demonstrate good tax conduct, and has been secured by a wide range of businesses across the UK, including FTSE-listed PLCs, co-operatives, social enterprises and large private businesses.

Full Council believes that:

1. Paying tax is often presented as a burden, but it shouldn’t be.
2. 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.
3. 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.
4. Where councils hold substantive stakes in private enterprises, influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned.

5. More action is needed, however, as current and proposed new UK procurement law significantly restricts councils' ability to either penalise poor tax conduct (as exclusion grounds are rarely triggered) or reward good tax conduct, when buying goods or services.

6. 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.

Full Council resolves to:

1. Approve the Councils for Fair Tax Declaration.

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

3. Ensure IR35 is implemented robustly and contract workers 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 by suppliers as an artificial device to reduce the payment of tax and business rates.

6. 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.

7. Promote Fair Tax Mark certification especially 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 are proud to promote responsible tax conduct and pay their fair share of corporation tax.

9. 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.

Proposer: Cllr Lee Cowen

Seconder: Cllr Carol O'Neal