

NOTICE OF MOTION**LABOUR AND COOPERATIVE GROUP****FAIR TAX**

This council resolves to ask the council's Procurement Board to examine ways in which council procurement policies might be able to require or request that companies bidding for service contracts worth more than £173,000 and for works contracts worth more than £4m (or appropriate sums as agreed) answer the more detailed tax compliance questions within 03/14 (PPN 03/14).

Proposed by: Cllr Daniel

Seconded by: Cllr Meadows

Supported by: Labour and Co-operative Group of Councillors

Supporting information:

There are different regulations affecting central and local government procurement.

Local government is bound by 2015 regulations to require bidders to declare whether they have been found in breach of legal requirement to pay tax or social security. These questions are contained in the Procurement Qualifications Questions (PQQs) and relate to service contracts of over £173k and works contracts of over £4m.

However, the government has issued Procurement Policy Note (PPN) 03/14 to cover its own contracts worth more than £5m. PPN 03/14 goes further than PQQs, asking more searching questions about 'incorrect' tax avoidance and 'failed' tax avoidance. PPN 03/14 guidance is optional for public bodies including councils.

According to the Sourced campaign, councils in England alone spend some £45 billion a year buying goods and services from companies
<http://www.christianaid.org.uk/ActNow/tax-justice/index.aspx>

How councils buy their services can have a significant impact on business tax practice.

Independent accreditation can assist companies in demonstrating that they are paying their fair share of tax, for example the Fair Tax Mark scheme
<http://fairtaxmark.net/councils-tackle-tax-avoidance/>

