



## COUNCIL MEETING

13 October 2022

### GATESHEAD METROPOLITAN BOROUGH COUNCIL

#### NOTICE OF MOTION

Councillor Ron Beadle will move the following motion:

Council notes that:

1. 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.
2. Around 17.5% of public contracts in the UK have been won by companies with links to tax havens.
3. 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.
4. The Fair Tax Mark offers a means for business 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.

Council believes that:

1. 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.
2. 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.
3. 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 service.
4. UK cities, counties and towns can and should stand up for responsible tax conduct – doing what they can when existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

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. 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.
5. Demand clarity on the ultimate beneficial ownership of suppliers UK and overseas and their consolidated profit and loss position, given lack of clarity could be strong indicators of poor financial probity and weak financial standing.
6. Promote Fair Tax Mark certification especially for any business in which we have a significant stake and where corporation tax is due.
7. 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.
8. 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.

Proposed by: Councillor R Beadle  
Seconded by: Councillor J Wallace  
Supported by: Councillor P Diston  
Councillor J Mohammed  
Councillor M Ord  
Councillor I Patterson  
Councillor D Welsh  
Councillor A Wintcher