

## **APPENDIX A – FAIR TAX DECLARATION COMPLIANCE UPDATE**

	<b>Fair Tax Declaration</b>	<b>SKDC Update</b>
<b>1</b>	Lead by example and demonstrate good practice in our tax conduct, right across our activities	<ul style="list-style-type: none"> <li>• The council has access to external VAT expert advisors to ensure it is compliant in all activities undertaken.</li> <li>• In July 2024 the Council completed a VAT self-assessment review with its external VAT advisors which didn't identify any major issues and therefore demonstrating good tax conduct.</li> <li>• Following the above the Council also undertook a compliance review with HMRC as part of their rotational selection process which didn't identify any significant issues.</li> </ul>
<b>2</b>	Ensure IR35 is implemented robustly and contract workers pay a fair share of employment taxes	<ul style="list-style-type: none"> <li>• Using its external VAT support an in- person training course was delivered on IR35 and Off- Payroll Working in November 2023 to ensure officers are aware of the correct processes and obligations.</li> <li>• This has then been supplemented by the Council procuring an e-learning licences for IR35 status training course to be rolled out to all officers that undertake recruitment.</li> </ul>
<b>3</b>	Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty	<ul style="list-style-type: none"> <li>• The council doesn't use any offshore vehicles for land or property purchases</li> </ul>
<b>4</b>	Undertake due diligence where possible to ensure that all new suppliers wishing to trade with the council are transparent and complete declarations on ownership, consolidated profit and loss, that they pay due taxes, business rates and other taxes in line with the Fair Tax standards. Promote the Fair Tax	<ul style="list-style-type: none"> <li>• Under the Councils procurement rules potential suppliers must declare as part of the bidding process if they have committed any tax offences and if so, would be excluded from bidding on our tenders.</li> <li>• Before contracts are awarded, a company check is undertaken around the general health of the company which should flag up any tax offences.</li> </ul>

	standard to all existing suppliers and request that they seek compliance with the standard	
<b>5</b>	Promote Fair Tax Mark certification especially for any business in which we have a significant stake and where corporation tax is due	<ul style="list-style-type: none"> <li>• The only business that the Council has a significant stake in that could be due to pay corporation tax is LeisureSK where annual calculations are undertaken to assess any tax liability due.</li> <li>• As part of the financial support agreement with LeisureSk, the Council has responsibility for the processing of invoices and associated tax returns and therefore in line with response to section 1 above ensures fair tax compliance.</li> </ul>
<b>6</b>	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	<ul style="list-style-type: none"> <li>• The council has supported and promoted Fair Tax week 2025 (8<sup>th</sup> – 15<sup>th</sup> June)</li> <li>• Issued press release outlining our support for fair tax which included sharing through our social media channels and promoting through business links including Federation of small businesses, Lincolnshire Chamber of Commerce and Business Lincolnshire.</li> <li>• E-mail partners and external stakeholders to inform them about what we're doing and how we're supporting the fair tax campaign</li> </ul>
<b>7</b>	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	<ul style="list-style-type: none"> <li>• The council will champion for tax conduct to be considered in any consultation around changes to UK procurement law</li> </ul>