



Governance and Audit Committee

Wednesday, 18 June 2025

Report of Councillor Ashley Baxter,
Leader of the Council, Cabinet Member
for Finance, HR and Economic
Development

Update on Fair Tax Declaration

Report Author

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Purpose of Report

To provide an update on the actions taken to respond to the Council's aspiration to be a Fair Tax organisation.

Recommendations

The Committee is recommended to note the report.

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Connecting communities
Sustainable South Kesteven
Enabling economic opportunities
Housing
Effective council

Which wards are impacted? All Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 It is important that the Council leads by example and demonstrates good practice in tax conduct across all business activities.
- 1.2 Under the Council's 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.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.3 There are no governance comments not already referred to within the report.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1. At its meeting of 23rd November 2023, Full Council passed a motion to aspire to be a Fair Tax organisation and to investigate relevant financial arrangements, contracts and investments.
- 2.2. The motion included the following:
 - Lead by example and demonstrate good practice in tax conduct, right across our activities.
 - Ensure IR35 is implemented robustly and contract workers pay a fair share of employment taxes.
 - Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
 - 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 standard to all existing suppliers and request they seek compliance with the standard.

- Promote Fair Tax Mark certification especially for any business in which the council has a significant stake and where corporation tax is due.
- 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.
- 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.

2.3. Appendix A outlines how the Council is meeting the obligations it agreed to and demonstrates it is fulfilling its aspiration to be a fair tax organisation. In summary, the Council has taken the following actions:

- Led by example to demonstrate good tax conduct
- Completed a VAT self-assessment check with external advisors in July 2024
- Undertaken a compliance check with HMRC
- Specific IR35 training for relevant Officers
- Purchased an IR35 e-learning licence to support ongoing awareness
- Continued to avoid the use of offshore vehicles for purchasing land or property
- Ensured companies that have committed tax offences have not been permitted to bid for Council work
- Supported and promoted Fair Tax week 2025 which ran from 8th – 15th June 2025

3. Key Considerations

3.1 This report summaries the positive steps the Council has taken since the Motion was passed on 23rd November 2023. It provides demonstrable evidence of actions relating to the Council's responsibilities and aspirations for Fair Tax conduct.

4. Other Options Considered

4.1 No other options have been considered.

5. Reasons for the Recommendations

5.1. This is an update report.

6. Consultation

6.1. Officers have taken advice from their tax advisors around the impact of tax obligations on the Council and have also discussed with external procurement

(currently Welland Procurement) on how to integrate the requirements into the council's Contract Procedure Rules and associated procurement processes.

7. Background Papers

- 7.1. Further information regarding the fair tax foundation can be accessed via the following link [Home - Fair Tax Foundation](#) [Fair Tax Foundation](#).

8. Appendices

- 8.1. None