

More councils probe the tax practices of companies bidd...

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The following press release was issued by Christian Aid this morning. I warmly welcome what they are doing:

A growing number of UK councils are taking companies' tax records into account when deciding how to award contracts worth tens of billions of pounds, in a trend welcomed by Christian Aid.

In December, members of Oxford City Council voted unanimously to investigate whether and how the council can include rigorous questions about companies' tax practices in council procurement procedures.

Detailed tax compliance questions have already been adopted by Belfast and Lisburn and Castlereagh city councils in Northern Ireland, as well as by the University of Oxford.

This month, Christian Aid launches its *Sourced* campaign to encourage other councils in England and Northern Ireland to follow suit.

Local authorities in England alone spend around *£45 billion a year on buying goods and services from third parties.*

"We hope to see more and more councils deciding that when awarding contracts, they will take companies' tax records into account and discriminate in favour of those which have been socially responsible," said Helen Collinson, Senior Public Advocacy Adviser at Christian Aid.

"Councils spend tens of billions of pounds on goods and services. This is taxpayers' money, so it is only right that councils choose to work with firms which pay their fair share of tax."

The law already requires local authorities to ask potential suppliers whether they have been found guilty of tax evasion. Christian Aid wants local authorities to go further and also ask companies whether they have been found to have improperly avoided tax, in the UK or other countries (see notes to editors for more detail).

Ms Collinson added: "Christian Aid is pleased to see a growing number of UK councils demanding that companies seeking contracts must reveal whether they have been in trouble about tax, anywhere in the world. We hope to see many more do so in 2016.

"That's because companies' tax decisions have a major impact on people's lives, both in the UK and even more so in developing countries. When they use accounting tricks to pay less tax, there is less funding for public services at local and national level, including for schools and health services."

Jean Fooks, councillor for Summertown Ward in Oxford, proposed the motion that was passed by the City Council. She said: "I am delighted that the motion was supported unanimously by the City Council. At a time when councils are struggling with ever deeper cuts to our budgets, it makes sense that we use our spending power to favour companies that pay their taxes. After all, it is companies' and individuals' tax payments that ultimately fund council budgets. I hope that councils across the UK will agree."

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Notes:

* Regulations made in 2014 require central government departments to ask would-be bidders detailed questions about tax - but they are optional for local authorities. Christian Aid's new Sourced campaign aims to persuade many more local authorities to choose to apply the 2014 regulations. The 2014 regulations say that companies seeking central government contracts worth £5 million or more must reveal whether they have been found guilty of tax evasion and whether their tax returns have been found to be 'incorrect' by tax authorities in the UK or other countries, including developing countries. Companies are banned from bidding for national government contracts if they have committed certain tax crimes and they can be banned for lesser wrongdoing, at the discretion of the body awarding the contract. Further regulations in 2015 require companies bidding for local council contracts to reveal if they have been found guilty of tax evasion - but not avoidance.

* Christian Aid works in some of the world's poorest communities in around 40 countries at any one time. We act where there is great need, regardless of religion, helping people to live a full life, free from poverty. We provide urgent, practical and effective assistance in tackling the root causes of poverty as well as its effects.

* Christian Aid's core belief is that the world can and must be changed so that poverty is ended: this is what we stand for. Everything we do is about ending poverty and injustice: swiftly, effectively, sustainably. Our strategy document Partnership for Change www.christianaid.org.uk/images/partnership-for-change-summary.pdf explains how we set about this task.

* Christian Aid is a member of the ACT Alliance, a global coalition of more than 130 churches and church-related organisations that work together in humanitarian

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