

Councils are increasing the pressure on tax dodging com...

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I am pleased to share the following from Christian Aid in association with the Fair Tax Mark, of which I am a director:

Multinationals with a record of tax dodging will find it harder to win multi-million pound contracts in future, as a growing number of councils ask more detailed questions about potential suppliers' tax practices.

Manchester, Salford, Oxford and Southwark in London are among the local governments that have decided to probe the tax histories of firms seeking contracts, many of which are worth large sums of taxpayers' money.

Northumberland, Gateshead and Birmingham City Council have also formally agreed to consider adopting the questions.

Their moves are a result of the 'Sourced' campaign launched by Christian Aid in England and Northern Ireland and supported by the [Fair Tax Mark](#).

Sourced has also created a [domino-effect across Northern Ireland, with Belfast City Council deciding to adopt the more detailed questions and four other councils plus the Northern Ireland Assembly then following suit.](#)

Christian Aid supporters have also asked at least 60 other councils to consider similar moves, including those in Cambridge, Derbyshire, Bradford, Newcastle, Wakefield, York, Leeds, Somerset, Sheffield, Hertfordshire, Essex and Camden and Lambeth in London.

Multinationals make many millions every year from local government contracts for everything from road maintenance, health care and building work to gas, electricity and insurance. Council contracts in England alone are worth a total of [around £45 billion a year](#).

In Manchester alone, the council routinely awards contracts for tens of thousands of pounds and more rarely does deals involving millions of pounds of taxpayers' money, as can be seen in [this contracts database](#). For instance, earlier this year the council

renewed its Microsoft software licence for three years, at an estimated cost of £4.2 million.

“We are delighted to see a growing number of councils across England and Northern Ireland holding multinationals to account,” said Helen Collinson.

“Companies’ failure to pay their fair share of tax is harming people in the UK and around the world, because it drains funding for the services we all need: care for the old, the young and the vulnerable, as well as hospitals, education, policing and ambulances, to name a few.

“At a time when public services are squeezed and evidence keeps emerging of certain multinationals not paying tax, it makes total sense for councils to ensure valuable council contracts go to firms that have played fair.”

The law already requires local councils to ask potential suppliers whether they have been prosecuted for tax evasion, which is illegal. The Sourced campaign encourages councils to ask potential suppliers further, more detailed questions about their tax affairs.

These further questions were [issued by the government’s Cabinet Office in 2014 \(PPN 03/14\)](#). *Companies bidding for central government contracts over £5 million have to answer them. But other public bodies, including local councils, can choose whether to ask them.*

The optional questions concern whether companies bidding for contracts have been involved in aggressive tax avoidance that a tax authority has ruled against, in the UK or other countries, including the poorest.

As a result of the more detailed tax questions that some councils have now decided to ask potential suppliers, hundreds of millions of pounds’ worth of contracts will now be awarded partly on the basis of whether bidding firms have avoided tax.

Ms Collinson added: “In addition to its impact on councils’ procurement, Christian Aid’s Sourced campaign has got councillors thinking about how they can influence multinationals’ tax practices and about how those practices affect people in poor as well as rich countries.”