

WAVERLEY BOROUGH COUNCIL

EXECUTIVE COMMITTEE

18 JANUARY 2022

WAVERLEY BOROUGH COUNCIL DRAFT TAX STRATEGY 2022-2024

Portfolio Holder: Cllr Mark Merryweather

Head of Service: PETER VICKERS

Key decision: No

Access: Public

1. Purpose and summary

The purpose of this report is to demonstrate that the Council acknowledges its responsibilities with regard to tax by preparing and submitting for approval a Tax Strategy.

2. Recommendation

It is recommended that the Executive approves the Tax Strategy 2022-24 at Annexe 1.

3. Reason for the recommendation

The Council is required to have in place a Tax Strategy to fulfil its responsibilities under the Legislation in Criminal Finances Act 2017, and to respond appropriately to the 'Tackling tax evasion: Government guidance for the corporate offences of failure to prevent the criminal facilitation of tax evasion' Government guidance issued in September 2017.

4. Background

The Government believes that relevant bodies should be criminally liable where they fail to prevent those who act for them, or on their behalf, from criminally facilitating tax evasion. HM Revenue and Customs (HMRC) issued guidance in September 2017 on the legislation for corporate offences of failure to prevent the criminal facilitation of tax evasion. In order to demonstrate that the Council acknowledges its responsibilities with regard to tax it undertakes to prepare an annual Tax Strategy.

The guidance issued by HMRC focuses on the failure to prevent crimes with regard to tax of those who act for or on behalf of the Council and determines that it should be easier to hold to account and attribute criminal liability to the relevant

body (the Council) for the criminal acts of employees, agents or those that provide services for it or on its behalf.

The guidance has six principles to help relevant bodies understand the processes and procedures that can be put in place to prevent criminal activity with regard to tax. These principles are addressed in the Tax Strategy and are to be applied proportionately to the perceived risk of the offence.

The Tax Strategy details the perceived risk of tax irregularities and documents the Council's relevant policies and procedures to be complied with, which are applicable to all those involved in financial transaction for the Council, to prevent offences occurring.

The Tax Strategy is brought to Executive on a two-yearly approval cycle, reflecting the council's relatively simple tax arrangements. However it is reviewed annually by Officers and should there be any major changes will be brought back to Executive as appropriate.

5. Relationship to the Corporate Strategy and Service Plan

5.1 The Tax Strategy is part of the Council's governance framework.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are no direct resource implications from this report. However, adoption of a Tax Strategy will aid a financially resilient Waverley.

6.2 Risk management

The Council is accountable for the correct treatment of tax with regard to all financial transactions undertaken. It has to have in place appropriate policies and procedures to mitigate the risk of tax evasion.

6.3 Legal

The Council has to comply with the Legislation in the Criminal Finances Act 2017 and to respond appropriately to the Corporate Criminal Offence guidance from HMRC issued in September 2017.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct climate emergency declaration implications in this report.

7. Consultation and engagement

7.1 Compliance with HMRC statutory requirements is compulsory, no consultation is

required.

8. Other options considered

8.1 The Council is required to have in place a Tax Strategy, therefore there is no alternative option.

9. Governance journey

9.1 The Executive are responsible for recommending this strategy to Full Council.

Annexes:

Annexe 1 – Tax Strategy

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:
Legal Services: 21 December 2021
Head of Finance: 24/12/2021
Strategic Director: date
Portfolio Holder: date