

## **TRANSFORMATION AND RESOURCES POLICY AND PERFORMANCE COMMITTEE**

**22 MARCH 2016**

### **39 ANY OTHER URGENT BUSINESS - NOTICE OF MOTION - SEEKING FAIRNESS IN PURCHASING**

The Chair had agreed to this item as a matter of urgent business to enable its consideration prior to the new municipal year. It was also agreed that the item be considered first in view of the presence of Councillor Brighouse for this motion.

The Head of Legal and Member Services reported that at the meeting of the Council held on 14 March 2016 (minute 119 refers), the following Notice of Motion proposed by Councillor Pat Williams and seconded by Councillor Alan Brighouse was referred by the Mayor to this Committee for consideration –

#### **SEEKING FAIRNESS IN PURCHASING**

Council notes that Wirral's Procurement Strategy was last refreshed in April 2011. At that time, this ensured environmental and sustainability considerations were included, along with a partnership approach. Council believes it is time for this Strategy to be reviewed to formally recognise the changes in legislation and practices since then with a view to enshrining ethical and social issues.

Council notes that:

- corporate tax evasion and tax avoidance are now matters of public interest and concern, not only at national level but also internationally.
- corporate tax evasion and avoidance are having a damaging impact, not just on public services in well-established economies but also on the world's poorest countries. The loss to the latter has been assessed as being higher than they receive in aid.

Council further notes:

- that the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14, applying to all central government contracts worth more than £5m.
- the availability of independent means of verifying tax compliance, such as the Fair Tax Mark.

Council understands that, in early 2015, new regulations required public bodies, including Councils, to ask procurement qualification questions of all companies for tenders over £173,000 for service contracts and £4m for works contracts. However, these questions are not as detailed as the Procurement Policy Note 'Measures to Promote Tax Compliance' (PPN 03/14) issued in February 2014.

Council believes that it is now reasonable to require bidders for Council contracts to self-certify that they are fully tax-compliant in line with central government practice using the standards in PPN 03/14 rather than lower standards.

Council asks officers to report to the Transformation & Resources Policy and Performance Committee and Cabinet to investigate whether and how this policy could be effectively included in the Council's Procurement Procedures, taking into account the need not to unfairly prejudice small businesses.

In accordance with Standing Order 7 (6), Councillor Brighthouse had been invited to attend the meeting in order for him to be given an opportunity to explain the Motion.

Councillor Brighthouse elaborated on the motion and stated that the policy being suggested would be fairly easy for the Council to adopt.

The Head of Financial Services informed the meeting that the Contract Procedure Rules had been updated at the Audit and Risk Management Committee in November, 2015 and would become effective on 1 April, 2016. He also advised that the tender process included procurement qualification questions relating to tax compliance. The Procurement Strategy, which had not been updated since 2011, would be reviewed this year and the suggestions made in the Notice of Motion would be reflected in the updated Strategy.

The Chair asked that the Committee be updated once the Strategy had been revised.

**Resolved – That this Committee receive an update once the Procurement Strategy has been updated later in the year.**