



Cabinet
12 December 2022

**Report from Corporate
Director of Governance**

Zero Hours Justice Campaign and Fair Tax Declaration

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	<p>Martin Williams Head of Human Resources 020 8937 3209 Martin.Williams@brent.gov.kk</p> <p>Rajesh Shori Head of Procurement 0777 666 4852 Rajesh.shori@brent.gov.uk</p>

1.0 Purpose of the Report

- 1.1 To provide the Cabinet with information on the Zero Hours Justice Campaign and the Fair Tax Declaration Authority following discussion of both these issues at full Council.

2.0 Recommendations

- 2.1 To support the Council's application to become a Silver Member of the Zero Hours Campaign and to support the principles to be followed in becoming a Fair Tax Declaration Authority.

3.0 Detail

3.1 Zero Hours Justice Campaign

3.1.1 At a meeting of Council on 11th July 2022 Councillors accepted a motion that the Council become a supporter of the Zero Hours campaign. Subsequent to that decision, a meeting took place between Councilors, Officers and a representative of the Zero Hours Justice organisation to explore how the Council might become a member.

3.1.2 The campaign was founded and funded by philanthropist, Julian Richer, the founder of Richer Sounds and several social justice campaigns and the Good Business Charter and has been endorsed by the TUC. The campaign:

- Provides free help and support for Zero Hours workers who cannot access advice anywhere else.
- There is a helpline to provide free help and support.
- Has an Accreditation Scheme to recognise employers who either do not use Zero Hours Contracts at all, or, if they do, implement them in a more ethical and responsible way.

3.1.3 There are three levels of accreditation: Gold, Silver and a Fairer Hours Employer. The criteria is set out below:

- **Gold - No Zero Hours Gold Employer**
 - Do not and will not employ anyone directly on a zero hours contract
 - Do not and will not employ anyone indirectly on a zero hours contract via any third party contractor or agency. This applies to third parties that provide workers (for example temporary staff, cleaners etc.)
- **Silver - No Zero Hours Silver Employer**
 - Do not and will not employ anyone directly on a zero hours contract
 - Commit to actively encourage any third-party contractors, providers or agencies to phase out the use of zero hours contracts in any services they provide (for example cleaners provided through a contractor or agency etc.)
- **Fairer Hours Employer**
 - Schedule shifts for zero hours workers with at least two weeks' notice;
 - Pay workers in full for shifts cancelled at less than two weeks' notice;
 - Give workers the right to request a fixed hours contract at any time;
 - Review actual hours worked annually and initiate a supportive conversation with every worker with a view to providing a contract at or close to the hours actually worked as soon as you are able.
 - This mirrors the "Fairer Hours" standards of the Good Business Charter, accepted and endorsed by both the TUC and the CBI.

3.1.4 The Council meets the criteria to be a Silver Employer and during informal discussions with Councilors, the representative of Zero Hours Justice confirmed that to be the case. They also reassured Councillors that where the Council required specialist workers at short notice and without a clear end date that would be within the spirit of the accreditation.

3.2 Fair Tax Declaration Authority

3.2.1 The Fair Tax Foundation is a not-for-profit social enterprise and believes that companies paying tax responsibly should be celebrated. It aims for councils to collectively do what they can to encourage fair tax practices amongst supplier companies when buying goods and services, and be given more powers to tackle tax dodging.

3.2.2 Currently there are 24 boroughs that have signed up to the Fair Tax declaration including 4 local authorities within London i.e. Southwark, Richmond, Lambeth and Greenwich.

3.2.3 The Fair Tax Foundation aims to get as many councils signed up to becoming a Fair Tax Council as possible and push for procurement reform at a national level especially at this crucial time when the new Procurement Bill is advancing through the House of Lords.

3.2.4 The Fair Tax Foundation's main focus will be on Corporation Tax as this is only payable when the business is profitable. As part of any assessment criteria when reviewing suppliers' tax affairs, the aim is not to raise issues with organisations who are making legitimate use of any tax relief such as ISA's and are working in the spirit of the law, but to ensure organisations are not undertaking practices whereby they are designing schemes to encourage tax avoidance.

3.2.5 Fair Tax Declaration

The Fair Tax Declaration commits the council to promoting responsible tax conduct through:

- leading by example and demonstrating good practice in our tax conduct, right across our activities
- ensuring contractors implement IR35 robustly and pay a fair share of employment taxes
- not using offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty
- undertaking due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates
- demanding clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position
- promoting the Fair Tax Mark certification for any business in which we have a significant stake and where corporation tax is due

- supporting calls for urgent reform of UK law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

3.2.6 The Fair Tax Mark accreditation scheme was launched in February 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. Accredited businesses include listed PLCs, co-operatives, social enterprises and large private business.

4 Conclusion

4.1 The Council prides itself as a good employer and evidence from the recent staff survey underpins that position. Applying for accreditation with Zero Hours Justice would reinforce that position to those outside the Council.

4.2 The Council supports the principles of the Fair Tax Foundation.

5.0 Financial Implications

5.1 There are no financial implications to accepting the recommendations in this report.

5.2 Due diligence regarding the measures covered by the Fair Tax Declaration will be largely overseen by the Finance function.

6.0 Legal Implications

6.1 There are no legal implications to accepting the recommendations in this report.

7.0 Equality Implications

7.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.3 There are currently no equality implications for the proposed policy and process change.

8.0 Human Resources Implications (if appropriate)

8.1 The HR implications are covered in the body of this report.

9.0 Consultation with Ward Members and Stakeholders

9.1 None

Report sign off:

Debra Norman

Corporate Director Governance