Council	Agenda Item 57(b)
16 December 2010	Brighton & Hove City Council

NOTICE OF MOTION

LABOUR GROUP

VODAFONE AND BRIGHTON AND HOVE CITY COUNCIL

"This Council notes that Vodafone have allegedly been allowed to avoid an estimated £6 billion in tax through basing their financial operations in Luxembourg, despite being a UK based company.

This Council also notes that Brighton and Hove City Council has a substantial contract for mobile phone telecommunications with Vodafone, worth over £125,000 a year.

This Council notes the statement on Vodafone's own website that: *"The maximisation of shareholder value will generally involve the minimisation of taxation. It will also involve choices as to the jurisdiction in which to locate capital and/or business activity. Such choices will take account of all the business consequences, including the taxation consequences, of operating in that location."*

This Council notes that the effective tax rate for the largest companies like Vodafone will fall over the next four years from 21% to 17% under measures introduced by the Conservative/Liberal Democrat Coalition Government.

This Council also notes statements by the Chancellor that "we are all in this together", and believes that this should apply to businesses as well as individuals.

This Council further believes that taxpayers' money paid by this council to private companies should not then leave the UK via tax avoidance, and should instead remain within the UK as part of the taxation system, aiding the financial recovery, protecting public services and paying down the deficit.

This Council asks the Cabinet, within the terms of the relevant contract and the council's own legal duties (including best value and Contract Standing Orders) to:

- review the Council's contract with Vodafone with immediate effect;
- investigate if other not-for-profit telecommunications suppliers such as the Phone Co-op could offer a similar service at a similar price that would ensure taxpayers money does not go into private shareholder profits and out of the UK in terms of unpaid tax."

Proposed by: Cllr Warren Morgan Seconded by: Cllr Gill Mitchell

Supported by: Cllrs Hawkes, Meadows, Davis, Allen, McCaffery, Hamilton, Carden, Simpson, Lepper, Turton and Marsh.