

Introduction

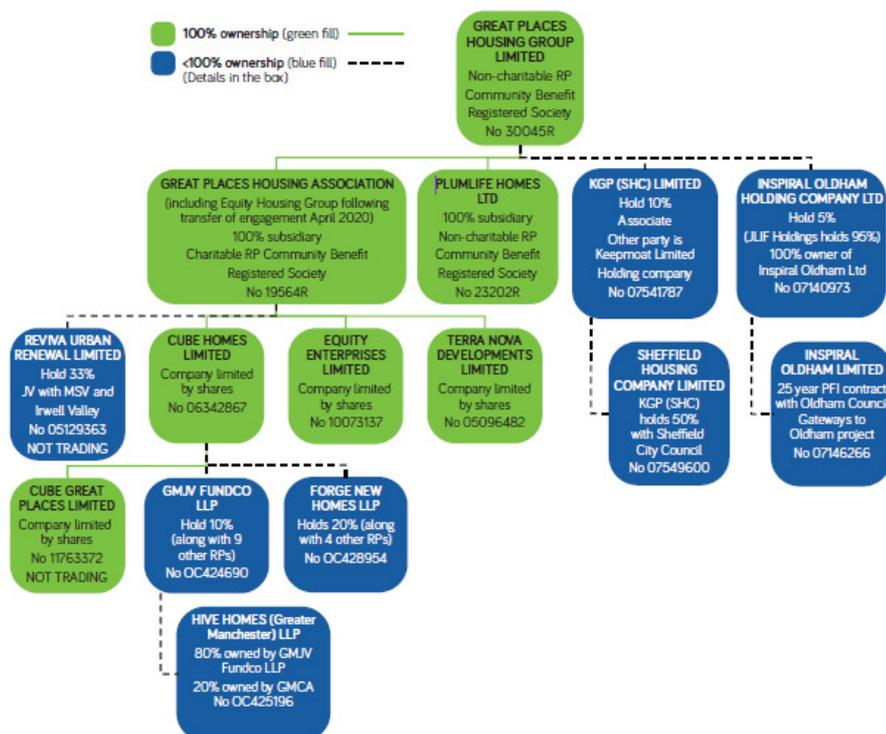
All UK companies with UK turnover of more than £200m and/or balance sheet total of more than £2bn in the last financial year are required by law to have a tax strategy and to publish it. Great Places Housing Group Limited (“Great Places”) is close to the balance sheet threshold, and has produced a strategy as best practice so it is ready to comply with Finance Act 2016, having transferred the assets and liabilities of Equity Housing Group on 1st April 2020..

Great Places comprises the non asset owning, non charitable parent (“GPHG”), which is a Co-operative and Community Benefit Society (“CCBS”), together with two direct subsidiaries:

- Great Places Housing Association (“GPHA”), a CCBS with charitable status; and
- Plumlife Homes Limited (“Plumlife”), a CCBS not having charitable status.

GPHA has two active third tier subsidiaries: Cube Homes Limited (“Cube”) and Terra Nova Developments Limited (“Terra Nova”). GPHA has one dormant third tier subsidiary Equity Enterprises from 1st April 2020 following the successful Transfer of Engagements of Equity Housing Group into GPHA. The Group is also involved in three joint venture companies and one associate and Cube itself has a wholly owned subsidiary, Cube Great Places Limited which is not currently trading.

Whilst GPHG has ultimate control, GPHA has responsibility for the management of the Group’s general needs and supported housing properties. Plumlife is responsible for low-cost home ownership and leasehold management, Cube exists to provide the Group with a vehicle to undertake market sale and market rent activity and Terra Nova undertakes design and build construction contracts.



This strategy sets out Great Places' strategic and operational approach to tax risk management. The strategy complements our corporate aims, and sits alongside our Financial Regulations, promoting and embedding the highest standards of accountability, integrity and probity, and to set the appropriate policies and internal controls to support decision making. This strategy is relevant for the entire Great Places Housing Group. Each individual risk has been considered within the overarching risk appetite for Finance and Governance (averse).

Objectives

Great Places is a responsible corporate taxpayer in line with HM Revenue and Customs legislation and guidelines, based on professionally executed tax compliance and legitimate tax planning. Through the Board, we plan and structure our activities in a tax efficient manner to mitigate the exposure to direct and indirect UK taxation. For the avoidance of doubt the taxes covered in this strategy are VAT, Stamp Duty Land Tax, Corporation Tax, Construction Industry Tax and Employment Tax.

The ultimate decision making responsibility for Great Places' tax position remains with the Board, and the day to day management of the Group's tax position is that of the Executive Director of Finance supported by Director of Finance and senior finance team. External advisors are used when it is deemed necessary. In this strategy, the definition of tax risk can cover any financial liability, known or unknown, agreed or in dispute, and either historical or future.

Tax risk and governance

Great Places is committed to the pursuit of effective corporate governance throughout its business and services, establishing the principles and practice by which this can be achieved. Tax management activities will be undertaken with openness, transparency, honesty, integrity and accountability. The identification, management and control of transaction, operational, compliance, management and reputational risk will be reviewed every two years to ensure the adequacy and suitability thereof. The Director of Finance is responsible for ensuring policies and procedures are in place, maintained and adopted throughout the business. In addition, our Head of Business Assurance is responsible for facilitating annual risk assessments linked to the requirements of the Criminal Finances Act 2017 to ensure that reasonable prevention procedures are in place to stop the facilitation of tax evasion by our customers, suppliers or staff.

Transaction risks

Specific transactions undertaken by Great Places, particularly land acquisitions, can be complex areas which give rise to greater risks. Great Places will ensure that the risks are properly assessed, are appropriate and will be signed off by the Director of Finance. Third party advice will be sought for transactions that are highly complex.

Operational risks

Great Places will manage the risks by applying tax law, legislation and decisions to routine everyday business operations. Great Places will ensure that those charged with managing tax risks have the skills and ability to do so. In order to effectively manage this, Great Places uses external tax specialists to ensure it is fully compliant.

Compliance risks

Risks associated with meeting tax compliance obligations will be minimised by ensuring the processes are based on up to date knowledge and proper and efficient use of technology. Great Places uses the Making Tax Digital software provided as part of its finance system.

Reputational risks

Consideration will always be given prior to any tax planning commencing to risks that may expose Great Places to reputational damage should it become public knowledge. Great Places will manage each of the above by engaging in early communications with stakeholders, automating systems, undertaking training, attending technical updates and liaising with external advisors.

Tax planning

Within the group there are Registered Providers, both charitable and non-charitable, as well as other entities. It is in the best interests of the Group to pursue activities that contribute, both directly and indirectly, towards the primary charitable objectives of Great Places.

Activities undertaken within Great Places that contribute to its charitable purpose (or an investment – either capital or revenue) are afforded full exemption from Corporation Tax.

Activities that are non-charitable are taxable, these activities should be undertaken in non-charitable entities with the Group. Great Places will engage in efficient tax planning that supports the business. We will not engage in artificial tax arrangements nor will we be party to the artificial tax arrangements of a customer, supplier, or other third party. Great Places will conduct transactions between group members on an arm's length basis. Where exemptions and reliefs are afforded to us, we will seek to apply them in the manner they are intended.

Transparency

Great Places will always adopt an open and collaborative approach to communicating with HM Revenue and Customs (HMRC). We will engage with HMRC at the earliest opportunity to resolve disputes and to achieve early agreement and certainty. All matters with HMRC will be addressed through timely, compliant and transparent discussions, we will ensure that we do not expose the Group to any reputation damage or hinder our working relationship with the tax authorities. We will work collaboratively with HMRC should disagreements arise to resolve issues by agreement. We will proactively enter into dialogue with HMRC in relation to issues where the correct treatment is unclear.

Monitoring and continuous improvement

This strategy and associated policies will be reviewed every two years, and whenever there is a major change in underlying tax legislation, guidance or case law.

Legislation and regulation

The Finance Act 2016 requires that a published tax strategy should cover 4 main elements:

- How does the business approach tax risk management and governance?

- What attitude does the business have towards tax planning?
- What level of risk in relation to UK taxation that the business is prepared to accept?
- How does the business approach HMRC?

Consideration has been given to the Criminal Finances Act 2017.

Great Places' tax affairs are subject to regulation and inspection by HM Revenue and Customs.

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Lead Team:	Finance
Level of Authorisation Required:	Executive team, notified to Board