

THE CITY OF EDINBURGH COUNCIL

UK TAX STRATEGY STATEMENT

PURPOSE AND COMPLIANCE STATEMENT

This UK Tax Strategy Statement is published in accordance with the UK's requirements relating to the publication of the tax strategy of a large business, as outlined in Schedule 19 of Finance Act 2016 for the financial year ended 31 December 2025.

This strategy applies to The City of Edinburgh Council and relevant group bodies/subsidiaries within the Council group for which the Council is responsible for oversight of tax governance. Further details on these entities are provided in the "Note on Subsidiaries and Associates" within the most recent Council Audited Annual Accounts, which are available on the Council website [here](#). This strategy is sponsored by the Section 95 Officer.

The Council's tax strategy is aligned to the Council's wider governance and risk management arrangements and reflects the Council's role as a public body, including a focus on safeguarding public funds.

GOVERNANCE, RISK MANAGEMENT AND CONTROLS

The Council recognises that tax risk can arise due to the size and complexity of operations and the volume of transactions across divisions.

The Council maintains governance processes and controls designed to identify and reduce tax risk, including a Tax Risk Register which incorporates relevant controls, procedures and responsibility details.

The Council seeks to ensure that tax compliance requirements are considered as part of business-as-usual processes, and that significant or uncertain tax issues are identified and addressed on a timely basis.

Overall accountability for the Council's tax affairs sits with the Section 95 Officer. Tax matters are managed by officers within finance functions, supported by specialist finance resources across group bodies.

Board and committee oversight forms part of the Council's governance framework, including involvement by individual company boards and Council committees. For example, in relation to the Edinburgh International Conference Centre, the Finance Director oversees day-to-day activity and reports to an Audit and Risk Committee, with overall reporting to the Board of Directors.

The Council operates a group governance framework under which annual assurance statements are provided by group bodies to the Section 95 Officer. Group bodies have management boards and finance specialists supporting applicable taxation regimes. Oversight is provided through the Governance, Risk and Best Value Committee.

COUNCIL ATTITUDE TO TAX PLANNING

The Council's approach is to ensure compliance with all relevant tax laws while also maximising tax benefits available across the group in a way that is consistent with its public body responsibilities.

The Council's tax planning is influenced primarily by:

- Compliance with laws and regulations as paramount; and
- Seeking to maximise tax efficiency for the Council and the wider group where legitimately available.

The Council will take professional advice for any non-standard transactions to support the correct interpretation and application of relevant legislation.

The Council engages professional advisors on complex tax matters. Specialist advice is sought on complex or unfamiliar projects. Advice may also be sought for specialist areas even where matters are less complex, and the Council may engage with other local authorities to support best practice.

LEVEL OF ACCEPTABLE TAX RISK

The Council has a very low risk appetite in relation to taxation matters.

Tax risks are considered on a case-by-case basis. For material transactions involving uncertainty or complex issues, the Council will generally seek external advice to support robust decision-making and compliance. Significant or uncertain tax issues are communicated to advisers at an early stage in real time, to support timely and compliant decision-making.

As a public body the Council recognises that safeguarding public money is paramount and stakeholder expectations therefore support a low tolerance for tax risk across the group.

APPROACH TO DEALING WITH HMRC

The Council aims to comply with statutory and legislative requirements in an open and collaborative manner with HMRC.

The Council has a Customer Compliance Manager who is kept informed of relevant tax matters and the Finance Directors for each subsidiary company engage directly with HMRC, as appropriate.

Where tax matters are complex, uncertain or material, the Council seeks professional advice and would consider the appropriate route to resolution, including engagement with HMRC where needed.

The Council seeks to be transparent with HMRC in respect of tax risks across relevant UK taxes and duties and would notify HMRC of any compliance issues in a transparent manner.

Significant or uncertain tax issues are communicated to advisers at an early stage in real time, to support timely and compliant decision-making.

REVIEW, APPROVAL AND PUBLICATION

This strategy is reviewed at least annually (or sooner if there are material changes) and will be republished in accordance with statutory requirements.

Once approved, this strategy will be published online, made available free of charge, and will remain accessible until it is replaced by the next published strategy.

Signed:

Date:

Section 95 Officer, The City of Edinburgh Council