

# TAX STRATEGY PUBLICATION

Demonstrating responsible  
tax management

## 1.0 Introduction

- 1.1 This document has been produced in accordance with Paragraph 16(2) Schedule 19 of the Finance Act 2016, in respect of the financial year ended 31 March 2024.
- 1.2 As a social purpose, not for profit organisation our tax objectives are to ensure we pay our fair share of taxes while fulfilling our charitable purpose.
- 1.3 The Board considers that we have a responsibility to minimise the tax burden for the Group, in order to save money for the wider benefit of our customers, whilst complying with all relevant regulations and laws. We will do so by conducting an appropriate level of tax planning (mainly by way of the use of government driven reliefs and exemptions).
- 1.4 Our strategy is to:
  - Establish and manage robust tax governance processes that ensure full compliance with tax disclosure and filing obligations.
  - Consult with partnering law and accountancy firms to obtain expert, objective support and advice on tax matters.
  - Work in a collaborative, transparent and proactive way with stakeholders including revenue authorities and policy makers.
  - Apply consistency of approach through people and training.

## 2.0 Tax governance and approach to risk

- 2.1 The Group tax strategy is approved by Orbit's Audit and Risk Assurance Committee (ARAC) and Orbit Group Board. It is administered by the Group Finance Director and the finance team and will be reviewed and approved annually by ARAC and Orbit Group Board.
- 2.2 Policies and procedures are in place to ensure compliance with regulation and filing requirements and these are reviewed regularly by the group's internal audit function. Filing compliance is monitored by the Finance Senior Management Team monthly. Tax accounting processes are reviewed and tested as part of an annual Senior Accounting Officer review by external advisors.
- 2.3 Tax risk is monitored on a regular basis through a risk register underpinned by an early warning indicator system to assess changing and emerging risks. This risk register flows into the Corporate risk register as deemed appropriate. This

ensures risk is monitored and assessed at all levels as required by corporate risk assessment processes and is ultimately how the Board ensures that it deals with relevant matters.

- 2.4 We adopt a policy of accepting only a low level of risk where tax is concerned. Whilst there is no formal threshold in place to define low risk, all the facts are considered on a transaction by transaction basis and the overall risk position is considered. At any time a tax matter arises we will look to clarify the position as soon as possible and account in a prudent way for the related financial transactions, including where necessary payment to the tax authorities.

### **3.0 Tax planning and external advice**

- 3.1 The tax strategy is aligned with the business strategy, aimed at delivering 'profit for a purpose' where all available profit is focused on providing and maintaining quality homes and thriving communities.
- 3.2 All transactions must have a commercial rationale or business purpose. We do not seek to construct transactions purely for the purpose of reducing tax liabilities. However, we are predominantly a charitable group and as such benefit from a number of tax exemptions and reliefs introduced by the Government and HMRC. The non-charitable subsidiary companies also exist primarily in pursuit of the Group's charitable objectives; to provide homes and communities to those in most need. Where it is strategically prudent to do so, profits made in these companies are passed back to the Group in furtherance of the charitable objectives. Orbit Group takes advantage of HMRC's Gift Aid provisions to do this in the most tax efficient way.
- 3.3 Advisory and technical support is provided by our partner accounting and legal firms. These services are tendered for on a contract basis and procured, where required, in line with The Public Contracts Regulations 2015. As such these services are refreshed on a cyclical basis.

### **4.0 Tax disclosure**

- 4.1 We strive to ensure information about the Group and its tax affairs are available and well understood by HMRC and other relevant external stakeholders. We do this by responding promptly to all requests and ensuring that all relevant disclosure is provided in all of our financial literature.



- 4.2 We pay our taxes at the appropriate time and aim to act professionally and transparently in order that authorities can accurately establish the group's tax liabilities.

## **5.0 Criminal Corporate Offence**

- 5.1 We take our responsibilities regarding the Criminal Corporate Offence legislation seriously, which requires organisations to put in place reasonable procedures to prevent the facilitation of tax evasion. We have implemented a best practice approach in line with HMRC guidance. This includes; conducting risk assessments to assess potential risk areas, with implementation plans to support process improvements where required; policies and procedures that align under a Business Code of Conduct policy; a process of due diligence checking for compliance; training to inform our people of their responsibilities. We are committed to monitoring and reviewing our preventative procedures to ensure that these remain reasonable and appropriate to the nature of the risks faced by the Orbit Group.

## **6.0 People and training**

- 6.1 The mix of charitable and non-charitable entities within the group brings a level of complexity in direct and indirect taxes. We therefore look to continually upskill and pass on tax knowledge through operational teams in order to accurately fulfil our tax responsibilities.
- 6.2 Training is carried out internally and with the support of external advisors to ensure the most up to date information is available to individuals. This means that not only are our responsibilities met, but we are also able to develop talented and competent professionals who remain motivated and challenged in their roles.



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