

# Hyde Group Tax Strategy

This document was reviewed and approved by [Hyde Housing Association Group Board](#) at its meeting on 4 December 2019 and sets out the Hyde Group's policy and approach to tax risk management. The Board will review the Tax Strategy, and management's adherence to it, on an annual basis.

Through the publication of this document the Hyde Group is in compliance with its duty under Section 161 and Paragraph 16(2) Schedule 19 of Finance Act 2016 in respect of the year ending 31 March 2019.

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## Introduction

The Hyde Group was established in 1967 and is one of the UK's leading providers of homes, owning and managing over 50,000 units of accommodation in London and the South-East of England, providing over 100,000 residents with a home at a price at which they can afford, with long tenancies that give them the chance to improve their life chances.

The Hyde Group generates surplus from its core rental business, active asset management and by building homes to sell on the open market. As a result, the Hyde Group's activities include commercial trading activities as well as charitable activities. The Hyde Group is formed of charitable and non-charitable entities. The reinvestment of this surplus allows the Hyde Group to deliver our social purpose of providing housing at affordable prices.

The Hyde Group employs over 1,100 people operating wholly in the UK.

The taxes covered by this strategy are VAT, Stamp Duty/SDLT, Employment Taxes (including PAYE and NIC), Corporation Tax, Construction Industry Scheme and Annual Tax on Enveloped Dwellings. References to tax in this document can mean any of the potential taxes the Hyde Group are exposed to. The definition of tax risk can cover any financial liability, known or unknown, agreed or in dispute, and either historical or future.

## Hyde Group corporate structure

This strategy applies to Hyde Housing Association and to the 51% group of companies headed by Hyde Housing Association in accordance with paragraph 22 of Schedule 19 to the Finance Act 2016.

As at 31 March 2019, the Hyde Group comprised Hyde Housing Association Limited and 18 subsidiary undertakings and investments including charitable entities, design and build companies, development vehicles and interests in joint ventures with third parties held through limited liability partnerships.

## **Tax planning**

The Hyde Group strives to pay the right amount of tax following UK tax legislation and guidance issued by HMRC. The Hyde Group aims to comply with all aspects of UK legislation.

The Hyde Group manages tax costs through taking advantage of available tax exemptions and incentives in the manner intended by the tax authorities and legislation to minimise the tax burden and support the Group's charitable objectives. The Hyde Group does not engage in tax planning that is not aligned to meeting its charitable purposes.

The Hyde Group do not undertake any tax planning that may harm its reputation or is inconsistent with the underlying commercial rationale of any transaction.

Where there is any uncertainty as to the tax treatment of a particular transaction, the Group seek advice from a suitably qualified external adviser and only proceed based on the response received.

## **Relationship with HMRC**

The Hyde Group is committed to working with HMRC in an open and transparent manner.

The Hyde Group seeks to work collaboratively with HMRC to resolve any enquiries in a timely fashion. The Hyde Group does not seek to take positions that would cause reputational damage or negatively impact the Hyde Group's relationship with HMRC.

The Hyde Group has been appointed a Customer Compliance Manager (CCM) by HMRC and engages in regular dialogue with both the CCM, designated VAT Inspector and other relevant tax specialists within HMRC. The Hyde Group endeavours to keep HMRC informed in real time of significant business developments and transactions that may have tax implications.

## **Attitude to tax planning and level of risk**

Tax planning is limited to structuring The Hyde Group's tax affairs in a manner that is consistent with relevant tax laws. The Hyde Group adheres to relevant tax laws and does not engage in artificial tax arrangements or tax planning that is not aligned with meeting its charitable purpose.

All decisions undertaken by The Hyde Group consider relevant laws, regulations and the commercial substance of any transaction. The Hyde Group are committed to complying with tax laws and have an open relationship with HMRC to minimise tax risk and maximise certainty.

## **Tax roles, responsibilities and governance**

The ultimate decision-making responsibility for the Hyde Group's tax position remains with the Board of Directors.

The Finance Director has overall responsibility for the Hyde Group's financial accounting arrangements.

The day to day management of Hyde Group's tax position is delegated to the Tax Manager. Day to day management of employment taxes is delegated to the HR and Payroll Manager. Further review is provided by the Finance Director and Head of Financial Control.

The Hyde Group consults external advisors as and when required.

The Hyde Group is committed to the pursuit of proper corporate governance throughout its businesses and services and establishing the principles and practices by which this can be achieved. Accordingly, tax management activities will be undertaken with openness and transparency, honesty, integrity and accountability.

## Tax risk management

The Hyde Group identifies, assesses and manages tax risks. There are processes and controls in place to ensure that the Hyde Group's tax liabilities are calculated accurately in all material respects.

When reviewing the tax risks associated with a commercial decision, consideration is given to:

- **Transaction risk:** The Hyde Group ensures that the risks are properly assessed, and transactions are signed off by the Tax Manager. Advice will be taken from external advisors for complex transactions with significant tax risk. All significant transactions are subject to approval by Scheme Appraisal Panel (SAP) and Group Investment Committee (GIC).
- **Operational risk:** The Hyde Group manages the risks of applying UK tax legislation to routine everyday business operations. Controls and processes are in place to mitigate operational risks.
- **Compliance risk:** Risks associated with meeting the tax compliance obligations will be eliminated by ensuring that processes are based on up to date knowledge of the latest tax law and practice and incorporate the proper and efficient use of technology. The Hyde Group uses external software where required to meet HMRC's online filing requirements.
- **Management risk:** The Hyde Group ensures that those responsible for managing and reviewing tax have the required skills, ability and qualifications to do so. External advisors are also consulted regularly.
- **Reputational risk:** The Hyde Group does not undertake tax planning that would harm its reputation. The Hyde Group's corporate and social responsibilities are taken into account when assessing tax initiatives.

## Tax compliance and reporting

The Hyde Group complies with all relevant laws, rules, regulations, reporting and disclosure requirements. Developments in tax legislation are monitored and communicated and the Hyde Group reacts accordingly to meet obligations.

Reviews are carried out within the team to reduce the risk of errors. External advisors are engaged to assist and review where required.

The Hyde Group endeavours to ensure all returns are submitted on time, all tax payments are calculated accurately and are made on a timely basis.