

1668 Dodgy Sugar in my Dodgy Coffee (Starbucks and Tate & Lyle Boycott) passed 12 February 2015

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This Union Notes:

1. Starbucks paid just £8.6m in corporation tax in the UK over 14 years and nothing in the last four years - despite sales of £400m last year. Total Starbucks sales in the UK amounted to £3 Bn since 2000, resulting in an effective corporation tax rate of 0.286%
2. Tate & Lyle Sugar Group declared £379m profit from their UK sales figures in 2013, but £0 in profits from their UK arm, giving an effective 0% corporation tax rate.
3. A Tate & Lyle Executive has stated that 'Tate & Lyle has minimal revenue-generating operations in the UK'
4. The standard UK corporation tax rate on profits over £300,000 is 21%.
5. While Starbucks is currently banned from advertising within Union House or the Union itself, the union shop currently stocks pre-packaged Starbucks iced coffee drinks.
6. Tate and Lyle Granulated Sugar, Icing Sugar and Demerara Sugar are currently sold in the Union Shop.
7. That the issue of tax avoidance by corporations and rich individuals has become a major political issue since 2010, and that tax avoidance by corporations has been estimated at £4.1bn by the Treasury and at up to £12bn by campaigners.
8. That the UK government is using lack of tax revenue as a reason to cut public Services, including tripling tuition fees to £9,000 in 2012.
9. That Policy 1436 already resolves to refuse to 'host, any branch of', 'refuse advertising space to' or refuse 'access to Union House or other union-owned premises' to any companies that engage in tax avoidance or evasion (Resolves 1,2 and 3, Policy 1436, November 2013).

This Union Believes:

1. That tax avoidance is immoral as it deprives the state of democratically set revenue that could be used to fund higher education, the National Health Service, emergency services and other public services.
2. That companies who promote or engage in tax avoidance or evasion are engaging in an immoral practice.

3. That public pressure has already contributed to making tax avoidance a major political issue, convincing companies to address their avoidance and government to focus more on the issue. However, in this case the government's action so far does not go nearly far enough to address the issue, and so the need for public pressure remains.

4. That we must wholeheartedly condemn tax avoidance/evasion, and endeavour to use alternative services and products where reasonable, and aim not to contribute the profits of such companies whenever feasible.

The Union Resolves:

1. To remove all Starbucks products from the Union Shop and any other Union sales and services, once existing stocks have been sold, and find alternative products if necessary at the discretion of staff.

2. To remove all Tate & Lyle products from the Union shop and from any other Union sales and services, once existing stocks have been sold, and replace with products from the co-op, or any other appropriate replacement, at the discretion of staff.

3. To mandate the Campaigns and Democracy officer and/or the Ethical Issues officer to publicise the withdrawal of these products at a university and wider level, in order to increase public pressure on such companies to comply with the spirit, as well as the technicalities of UK tax law, and pay reasonable amounts of tax on the profits they make in the UK.
