

NHS Property Services Ltd

Tax Strategy Document

This document has been approved by the Executive Committee of NHS Property Services Ltd and sets out the company's approach to managing its tax affairs and dealing with tax risks for the year ending 31 March 2021. It is compliant with the requirements of Schedule 19 of Finance Act 2016.

Our Business

NHS Property Services Ltd (NHSPS) is a property owner and manager, adviser and service provider, helping to shape the NHS estate for the future. As a government-owned company we have one goal: to ensure the NHS makes the right property choices to enable excellent patient care.

Today our portfolio is one of the largest in the UK, comprising more than 3,000 properties with 7,000 tenants across England. At a total value of more than £3bn, this represents about 10% of the total NHS estate.

NHS Property Services Ltd acts as a key adviser to NHS organisations on all property matters so they can focus on what they do best – provide the vital services our communities need. We provide the following services:

- Advise customers on how to get the most out of their property
- Invest in the estate through new buildings and refurbishments
- Develop new opportunities for the NHS estate
- Provide essential Facilities Management services to customers

Our tax policy comprises four key components:

Commitment to compliance

We are committed to being a responsible and compliant taxpayer. Ensuring that we pay the right amount of tax at the right time is core to our commitment to being a responsible business. It involves disclosing all relevant facts and circumstances to HMRC and claiming reliefs where available.

We have a detailed framework of internal controls to provide a robust and comprehensive approach to managing risk in relation to our taxation affairs. We have clearly documented compliance processes for VAT, corporation tax and the Construction Industry scheme. These processes and controls are regularly monitored, reviewed and tested and underpin the submission of tax returns prepared by us. All our tax returns are technically correct in accordance with the tax legislation and submitted on time.

Responsible attitude to arranging our tax affairs

When structuring our tax affairs we will only ever do so based on sound commercial purposes and will never act in a way that could be considered inconsistent with the intention of Parliament or which could be contrary to any anti abuse legislation. Any transactions undertaken by NHSPS

have a commercial purpose and we will not put in place any arrangements that are contrived or artificial.

Advice may be sought from external tax advisers to support the in-house tax function in evaluating risk areas, adhering to complex tax laws and implementing best practice.

Compliance and effective risk management

At NHSPS we ensure we are always compliant when dealing with tax affairs. We manage risks to ensure that we pay the right amount of tax at the right time. Our appetite for tax risk is low.

We approve the tax operational risk register at least annually to ensure that appropriate controls are in place to mitigate key tax risks.

We actively seek to identify, evaluate, monitor and manage tax risks to ensure they remain in line with our objectives. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

Constructive approach to engaging with HMRC

We value having a good and transparent relationship with HMRC and engage with them with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. We ensure that all information is clearly presented to HMRC on a timely basis. As a large business in the UK the company is assigned a Customer Compliance Manager (“CCM”) by HMRC. We have an open relationship with our CCM, communicating on a regular basis through a combination of email, telephone and face to face meetings. We value the fact that we have a CCM with whom we can proactively engage in dialogue.

NHSPS is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular commits to:

- Adopt an open and collaborative relationship with HMRC at all times.
- Engage in full, open and early dialogue with HMRC to discuss strategy, risks and significant transactions.
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests from HMRC in a timely fashion.
- Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Be open and transparent about decision-making and governance.
- Interpret the relevant tax laws in a reasonable way, and ensure transactions are structured consistently with a cooperative relationship.