

Concern over government approach to consultation

Briefings

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CIOT and ATT have warned the government that any move away from consulting external stakeholders when developing tax policy would be likely to lead to bad legislation and unintended consequences.

In separate letters to James Murray MP, Financial Secretary to the Treasury, the professional bodies welcomed the government's interest in more participatory policymaking but stressed that engagement must begin early enough to influence decisions, rather than simply helping to implement proposals that have already been chosen.

The letters follow a joint letter to ministers from the Chancellor, First Secretary of State and Attorney General on 7 September 2026, titled 'The Simplification and Agency of Government', which indicated a desire to reduce formal consultations where they are not considered necessary. In a speech on the same day, the Chancellor promised to 'end the consultation culture at the Treasury and beyond'.

CIOT: consultation improves policy outcomes

In his letter, CIOT President Paul Aplin expressed concern that the letter to ministers appeared to suggest a downgrading of the importance of consultation. He acknowledged the need for proportionate decision-making that avoids unnecessary delays, but argued that tax policy is complex, interconnected and often operationally challenging.

Aplin said the greatest value of consultation comes when engagement begins early enough to examine the underlying problem, the evidence for intervention and the intended outcome, before moving on to the technical details of implementation.

The CIOT has been gathering evidence from its members and representative committees about the operation of the Tax Policy Making Principles introduced following the replacement of the previous tax consultation framework in 2025.

Its findings identified concerns including limited visibility of when engagement takes place, uncertainty over whose views are sought, overlapping consultations with short response periods and insufficient coordination across wider tax reform programmes.

The volume of consultations published during summer 2026 brought these issues into focus. More than 15 consultations on policy proposals and draft Finance Bill legislation were launched, with response deadlines ranging from six to 12 weeks, many falling during the main holiday period.

Aplin highlighted the consultation on timely payment in income tax self assessment, which involved a significant policy change but had the shortest response period. He also pointed to concerns about the evidence supporting a proposed criminal offence for making reckless untrue statements in direct tax and changes to the foreign permanent establishment exemption that were announced without prior consultation.

Aplin said the objective should not be fewer consultations, but better consultation: early, evidence-based engagement on the reasons for intervention, followed by open engagement on the options for delivering it.

ATT: involve stakeholders before decisions are made

In her letter, ATT Director of Public Policy Emma Rawson OBE similarly argued that external stakeholders can make a greater contribution when involved in considering early-stage policy options, rather than being asked to comment on how a preferred measure should work.

The ATT said several consultations published over the summer appeared to have been issued too late in the policymaking process to influence the direction of reform.

Rawson cited the timely payment consultation, arguing that changes affecting taxpayers with both PAYE and self assessment income appeared to have been largely decided before the consultation opened. She also highlighted consultations on requiring payment of VAT and PAYE liabilities by direct debit, and proposals to tackle lower-value tax debts. In both cases, the ATT believed that earlier discussion of the underlying problems could have helped identify more targeted solutions.

However, Rawson cautiously welcomed the government's stated ambition to develop more participatory policymaking, involving a wider range of people earlier and more directly.

She pointed to positive examples of early engagement, including collaboration with professional bodies and software developers on Making Tax Digital, stakeholder roundtables on e-invoicing, and HMRC's work on enabling multiple agents.

The ATT warned, however, that reducing published consultations would make it harder to ensure that all relevant stakeholders were identified, informed and given opportunities to contribute. It urged HMRC and government departments to engage appropriate third parties, including professional bodies, at the earliest possible stage and to monitor whether this happens in practice.