Welcome to June’s Technical Newsdesk

Welcomes

01 June 2017

The calling of the General Election on 18 April had a significant effect not only on the passage of the Finance Bill (which I will return to later), but also the activities of Ministers and civil servants during the period in the run up to the election. This period is known as ‘purdah’, and describes the period of time immediately before elections or referendums when specific restrictions on the activity of civil servants are in place. The terms ‘pre-election period’ and ‘period of sensitivity’ are also used.

The Cabinet Office issued ‘General Election Guidance 2017’ on 21 April 2017, which sets out a useful explanation of what purdah means, and the restrictions imposed on Ministers and civil servants.

During the election period, the government retains its responsibility to govern, and Ministers remain in charge of their departments. Essential business must be carried on. However, it is customary for Ministers to observe discretion in initiating any new action of a continuing or long term character. Decisions on matters of policy on which a new government might be expected to want the opportunity to take a different view from the present government should be postponed until after the election, provided that such postponement would not be detrimental to the national interest or wasteful of public money.

The basic principle for civil servants is not to undertake any activity that could call into question their political impartiality or that could give rise to criticism that public resources are being used for party political purposes. This principle applies to all staff working in government departments. Departmental and Non-Departmental Public Body activity should not be seen to compete with the election campaign for public attention. It is also a requirement of the Ministerial Code that Ministers must not use government resources for party political purposes and must uphold the political impartiality of the Civil Service.

It is against this backdrop that a large number of measures were removed from the Finance Bill. Sacha Dalton provides an overview of what's in and what's out, before Matthew Brown summarises the various employment taxes proposals and Margaret Curran explains two of the proposals (now dropped from the Finance Bill) seeking to prevent avoidance and evasion. No Technical Newsdesk would be complete without mention of Making Tax Digital, and (subject to the limitations of purdah) it seems largely 'business as usual', and Will Silsby, Margaret, and Kelly Sizer highlight the ongoing consultation on sanctions for late submission and late payment under MTD.

Our other articles include a reminder of the deadline for notifications that advisers may need to send to their clients, a summary by Kate Willis of the CIOT response to the Housing White Paper that considers land pooling, and an outline of HMRC's updated VAT input tax guidance for holding companies by Angela Fearnside. We then have a number of articles from Kelly and Victoria Todd of LITRG on financial guidance and advice, trivial commutation for small pensions, and an update on tax-free childcare, before ending this month's edition north of the border as Joanne Walker reports on the CIOT additional written evidence and evidence to the Finance and Constitution Committee in respect of its inquiry into a Scottish approach to taxation, and our response to the consultation on the interim report of the Budget Process Review Group.