

# Technical newsdesk: October 2024

Welcomes



25 September 2024

Sitting down to write this introduction made me think about this month's key event: the UK Budget. I reflected on how rare an event it is that we have a change of party in power. Typically, the Opposition party spends more than a decade planning for the day in the House of Commons when they can steer the country's fiscal reins in their favoured direction.

Even once the election is won, things do not always go 100% to plan. In 1997, Gordon Brown was forced to delay Labour's first Budget since April 1979 by a little longer than he had anticipated – from 10 June to 2 July – after British Telecom threatened legal action over the new government's plans for a windfall tax on privatised utility companies.

I expect many of you, like me, are waiting to see what changes in direction lie ahead in the country's economic and tax policy as on 30 October Rachel Reeves gives Labour's first Budget speech in 14 years, ending the growing speculation as to what she might have to say.

We have some inklings from the July Statement and manifesto commitments. The CIOT and ATT technical teams have been considering what has been published, such as the draft legislation for VAT on private school fees and feeding into the developments for non-doms – but as with anything, the devil will be in the detail. The new Chancellor has made it clear that the UK's purse is less full than the government would like, so we can expect some clarity around which of the much mooted changes will go ahead, but perhaps she will also pull also one or two customary rabbits out of hats.

There is a lot of media speculation around inheritance tax and capital gains tax, and we are keen to see whether we will get any indication as to what will happen next with regards to the outstanding pre-election government consultations – for example, on potential regulation/raising standards of the tax services market and various elements of the Tax Administration Framework Review. We are also keen to understand Labour's intentions for investment in HMRC and to see the promised business tax roadmap.

I thoroughly enjoyed discussing potential options and thoughts for the roadmap with the IFS, Dominic Mathon (RLEX) and David Gauke, the Financial Secretary to the Treasury for the 2010 and 2016 roadmaps, at our latest CIOT/IFS debate early in September ([tinyurl.com/yfunk9hs](https://tinyurl.com/yfunk9hs)). We also wrote to the Exchequer Secretary before joining a roundtable with him later in the month to discuss what should be in the roadmap at the Budget (see Sacha Dalton's article below and our letter at [www.tax.org.uk/ref1352](http://www.tax.org.uk/ref1352)). I wonder how many of our ideas will make the cut?

I also want to thank all of the firms who volunteered for the joint CIOT/ICAEW project on service levels. Since mid-September, more than 30 firms have been logging data and we look forward to sharing our report later in the year. Since I joined CIOT in April 2023, the largest number of complaints I have heard have related to HMRC's service performance, so I really hope that the new evidence will help to reset the conversation with both the new government and HMRC.

Finally, in a year of change, including over half of the world's population getting the opportunity to go to the ballot box, we will soon see who wins on the other side of the Atlantic. Closer to home, I am delighted to welcome Lindsay Scott as our new CIOT Technical Officer. Lindsay is leading on Digital and Agent Services (DASC) and Scottish taxation. She has dived straight in, working on the service levels project and with the Scottish government's launch of its new tax strategy.