

Business Forum on Tax and Competitiveness meeting minutes, 19 June 2012

Chairing: Exchequer Secretary to the Treasury, David Gauke MP

Attendees:

CBI	John Cridland, Director General
GE	Mark Elborne, President & CEO, GE UK, Ireland and Benelux
Ford Motor Company	Joe Greenwell, Chairman, Ford of Britain
Amey	Andrew Nelson, Group Finance Director
RSA	Richard Houghton, CFO
HM Treasury	Mike Williams, Director Business and Indirect Tax
HMRC	Lin Homer, Chief Executive and Permanent Secretary
HMRC	Jim Harra, Director General Business Tax

Introduction

The Exchequer Secretary welcomed Forum Members and introduced Lin Homer and Jim Harra who had both taken up new posts in HMRC since the last meeting.

Item 1 - General update on developments since the last meeting

The Exchequer Secretary highlighted the main business tax elements of the Budget and Finance Bill and set out why he thought these were improving UK competitiveness.

Forum Members agreed that there were significant measures in the Budget and Finance Bill, although they recognised there would be a challenge turning these into action. Some concerns were raised about the scope of the proposed GAAR.

Several Forum Members argued that Government should prioritise introducing capital allowances for infrastructure assets, although it was recognised in discussion that there were significant issues which would need to be addressed including cost.

Forum Members discussed the impact of the Government's reforms on business decisions and were positive about the potential impact of company headquarters moving to the UK.

The CBI then spoke about the reaction to their Tax and British Business Paper, which they felt had been a useful contribution to the debate.

Item 2 – HMRC’s administration of Business Tax

Lin Homer discussed the levels of scrutiny faced by HMRC which was reflected in the recent Public Administration Committee reports, and set out the steps HMRC had committed to take in response. Jim Harra set out some of the work HMRC are doing to maintain the integrity and improve the effectiveness of tax administration highlighting the training exercise currently underway on the patent box.

Forum members supported HMRC’s approach although noted the importance of avoiding complexity.

Item 3 – role of tax in the recovery

The Exchequer Secretary asked for Members views on role of tax in securing recovery.

Forum Members stressed the importance of integrating tax with other areas of economic policy and how that had been achieved successfully through the Budget Oil and Gas announcements and the Automotive Council additionally stressing the importance of dialogue with business.

The Exchequer Secretary thanked attendees and suggested meeting again in October.