

## GOVERNMENT FAST-TRACKS SPENDING REVIEW TO GIVE 'FINANCIAL CLARITY' ON BREXIT



**Chancellor Sajid Javid has announced that a one-year Spending Review will be carried out in September, in order to provide government departments with 'financial clarity' ahead of Brexit.**

According to the Chancellor, a one-year budget allocation would allow civil servants to simultaneously press ahead with improvements to public services and prepare for Brexit, which is currently set to take place on 31 October.

The Spending Round will support commitments made by Prime Minister Boris Johnson since he came to office, including the recruitment of 20,000 extra police officers and additional funding for schools and the NHS. The Spending Round will set departmental day-to-day spending budgets for 2020/21.

Commenting on the September Spending Review, the Chancellor said: 'The Prime Minister and I have asked for a fast-tracked Spending Round for September to set departmental budgets for next year. This will clear the ground ahead of Brexit, while delivering on people's priorities.'

Meanwhile, the Institute for Fiscal Studies (IFS) said: 'The ongoing uncertainty surrounding the nature of the UK's departure from, and future relationship with, the EU means that the outlook for the UK economy is currently highly uncertain.'

'Given that, setting departmental budgets for just one year is understandable, and leaves the government more flexibility to respond to future developments.'

The government intends to carry out a multi-year Spending Review in 2020.

## MPs call for review of HMRC's Loan Charge

Prime Minister Boris Johnson has come under pressure from MPs in his own party to make good on a promise to launch an independent review of HMRC's controversial Loan Charge.

Johnson promised a review during the Conservative Party leadership election, but has not acted since arriving in 10 Downing Street. Former cabinet minister Iain Duncan Smith and Ross Thompson, Vice-Chair of the Loan Charge All-Party Parliamentary Group are amongst the Conservative MPs calling for the Prime Minister to allow a 'thorough review' and a delay to the 31 October Loan Charge payment deadline.

The Loan Charge, which came into effect on 6 April this year, applies to anyone who used 'disguised remuneration' schemes. The legislation added a 45% non-refundable charge on all loans advanced through the schemes, unless the individual had agreed with HMRC to settle their tax affairs by 5 April.

The charge mainly affects freelancers and agency workers: however, many of the 50,000 people affected by the issue are low paid and were persuaded by their employers to join the schemes. The typical sum owing, according to the Loan Charge Action Group (LCAG), is almost £120,000.

Commenting on the Loan Charge, a Treasury spokesperson said: 'The Loan Charge is designed to tackle tax avoidance and ensure everyone pays their fair share. It builds on more than two decades of HMRC action to challenge these schemes.'

For more information on the Loan Charge, please take a look at the [Hot Topics](#) section of our website.

## Nunn Hayward's cycle for charity

On Sunday 4<sup>th</sup> August, Arvin and Elliot undertook a 100 mile bike ride that started and finished in London, venturing through the city and down to Forest Green in Surrey, before heading back (via some rather large and challenging hills!) towards London, finishing along the Mall. The day started at 5.15 before travelling into London for an 8.15 start and finished about 8.5 hours later!

They were raising money for Bone Cancer Research UK and in particular, in memory of local teenager, Liberty who sadly passed away at the age of 14 after battling a rare form of bone cancer.



### ESSENTIAL TAX DATES FOR SEPTEMBER

#### 1 September

New Advisory Fuel Rates (AFR) for company car users apply from today.

#### 19 September

PAYE, Student loan and CIS deductions are due for the month to 5 September 2019.

#### 30 September

End of CT61 quarterly period.