



Treasury Committee

House of Commons, London SW1A 0AA

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Rt Hon Mel Stride MP
Financial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
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7 November 2017

Dear Mel

Before the Election, our predecessors were in correspondence following the launch of the report on "Making Tax Policy Better" (Andrew Tyrie's letter of 23 January and Jane Ellison's response of 30 March).

I welcome the improvements that have been made since 2010 and I hope that the Government will continue to take a more strategic approach to policy-making. Meanwhile, I would be grateful for an update on the Treasury's thinking on the points raised in that correspondence.

Jane had two reasons for rejecting Andrew's suggestion of oral evidence sessions at the Finance Bill Committee. The first was that the tax policy making process involves extensive consultation before the clauses are debated in the Finance Bill Committee, and the second was that the most contentious issues in the Bill are debated in the Committee of the Whole House and would therefore be excluded from any oral evidence sessions. I am not persuaded by either of these points.

Firstly, consultation at the policy development stage is not universal (and has been particularly limited in 2017 in view of the change to the Budget timetable and the impact of the General Election), and consultation before the Bill is introduced to the House has the potential to be constrained by lack of up to date costings (see my point about TIINs below).

Secondly, I cannot see a reason why the Finance Bill Committee should not hear oral evidence on clauses which will be, or even which have already been, debated in the Committee of the Whole House.

As Jane said, any changes in this area would be a matter for the Business Managers and the usual channels. However, their consideration of changes could be helpfully informed by a steer from you, as the lead Minister, that you would be willing to make the necessary provision in the programme motion.



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Jane was more open to suggestions for improving the tax consultation tracker. Stakeholders, including Treasury Committee staff, who are involved in scrutinising a particular tax measure would find it much easier to navigate if all the information about consultations on the measure were in one place, alongside an indication of the Budget(s) in which it was announced and the Finance Bill(s) in which it would be legislated. It would be helpful to have a regularly updated page on Gov.UK where stakeholders could be confident that they are seeing the latest position for all consultations on tax measures.

She also seemed open to the idea of improving the quality of TIINs. Meaningful consultation is helped by having a good quality TIIN at each stage of the process – particularly when the draft clauses are published. But I understand that under the new Budget timetable, the OBR will sign off costings in November (Budget) and March (Spring Statement). That means that TIINs which are published with draft clauses (in the Summer) will be less useful than TIINs that were published in the Autumn under the old timetable, since the latest costings will be four months old and they will not have been able to take account of any refinement of the policy following the post-Budget consultation period (from January to April).

I would welcome your views and updates on discussions that you are having on these three issues in advance of the forthcoming Budget.

I am copying this letter to the Chief Whip and I will place it, and your reply in due course, into the public domain.

*Yours well
Nicky*

The Rt Hon. Nicky Morgan MP
Chair of the Treasury Committee