

[Press release: The OTS points the way to simplify corporation tax](#)

The Office of Tax Simplification (OTS) is the independent adviser to government on tax simplification. The OTS responds to calls for corporation tax to be modernised and simplified in its report [Simplification of the Corporation Tax Computation](#) published today 3 July 2017.

This report sets out some significant steps towards creating a 21st-century corporation tax system in the UK, responding to calls from businesses of all sizes to make the calculation of corporation tax simpler, with fewer changes and more time to plan. It also recognises the importance of reducing the burdens on small business, and keeping this country an attractive destination for trade and investment in a post Brexit world.

The report takes a bold look across four broad themes

- simpler tax for smaller companies
- aligning the tax rules more closely with accounting rules where appropriate
- simplifying tax relief for capital investment
- a range of further issues affecting the largest companies

It also highlights the links with HMRC's work on Making Tax Digital, which offers a real impetus to move towards a simpler system by use of technology.

Angela Knight CBE, Chair of the OTS Board, said:

Despite the attention corporation tax has received in recent years, in particular regarding multi-nationals, there has been little focus on making the tax simpler. In response to a clamour from companies of all sizes and types, the main recommendation is that the government should develop a clear and coherent roadmap for corporation tax simplification to give certainty for all companies.

Paul Morton, Tax Director, said:

A simpler approach would be to align the tax more closely with a company's accounts, making it more intuitive, reducing compliance costs and saving time. This is particularly attractive for smaller

incorporated businesses, which represent the overwhelming majority of companies.

The report makes recommendations to achieve this objective in a variety of innovative ways. In addition, it sets the scene for further work on the costs and benefits of moving to a depreciation-based approach to giving relief for capital expenditure which could offer a significant simplification for companies of all sizes.

Main recommendations

A corporation tax simplification roadmap

Small companies

- For the very smallest companies, to use the accounting profit prepared under accounting standard FRS105 as the taxable profit without any adjustments.
- For slightly larger companies, the proposal is that companies should only need to consider a set list of five or six potential tax adjustments.

Aligning tax with accounts

Across the whole range of companies, for

- the tax definition of capital and revenue to be more closely aligned to the accounts definitions,
- the rules for trading and management expenses to be aligned
- the 19th century schedular system (under which different types of income are calculated separately subject to slightly different rules) to be replaced with a “whole business” approach, in line with most other countries

Capital expenditure

For the OTS to undertake further work on capital expenditure to explore the issues involved in replacing the present capital allowances system with an accounts depreciation approach, recognising the need to consider the impacts on particular industry sectors.

Large companies

For improvements to be made in a number of technical areas, in the context of promoting stability and certainty in the corporation tax system.

Notes for editors

The OTS advises the Chancellor on tax simplification, challenging tax complexity to help all users of the tax system; it does not implement changes – these are a matter for government and for Parliament.

The OTS team is led by Chairman Angela Knight CBE and Tax Director Paul Morton and has a small staff drawn from HM Treasury, HM Revenue & Customs and the private sector.

The OTS works to improve the experience of all who interact with the tax system. It aims to reduce the administrative burden – which is what people actually encounter in practice – as well as simplifying the rules. Simplification of the technical and administrative aspects of tax are each important, both to taxpayers and HMRC.

The vast majority of companies are small: Of the 1.75 million UK private sector companies in 2016: 1.5 million have under 10 employees.

Press Enquiries only please contact Ed Rowley, OTS Press Officer Phone: 03000 585 028

[News story: Animal medicines prosecution: Horse Health Wessex Ltd](#)

Details of the prosecution of Horse Health Wessex Ltd. Published in July 2017.

On 21 June 2017 at Southampton Magistrates Court, Horse Health Wessex Ltd pleaded guilty to placing a veterinary medicinal product on the market, contrary to regulations 4(1) of the Veterinary Medicines Regulations 2013.

HORSE HEALTH WESSEX LTD between 1/10/2013 and 26/02/2017 at Southampton, placed a veterinary medicinal product on the market referred to as Sarcoid Cleansing Salve and Super-S Cleaning Salve, whereas the product has not been granted a marketing authorisation by the Veterinary Medicines Directorate.

The company was given credit for an early plea and ordered to pay a fine of £5,000 with a victim surcharge of £150 and costs of £250.

Press release: Western half of Dawlish Warren beach recharge ends a month early

Around the clock dredging and recharge works at Dawlish Warren has paid off, with the completion of the recharge of the western end of the beach a month ahead of schedule.

The equivalent of 50 Olympic swimming pools full of sand have been pumped onto the beach since the beginning of June and, as a result, the beach now boasts increased sand levels of up to 3 metres in places.

As well as providing an improved beach for visitors to enjoy, the increased sand levels will reduce damage to the defences protecting the amenity infrastructure and help the internationally important sand dunes grow and roll back naturally. This is a legal requirement for the scheme to deliver.

Richard Cox, project manager for the Environment Agency, said:

The good news is we've completed the beach recharge at the western end of Dawlish Warren well ahead of our original schedule which tied in with the start of the summer holidays at the end of July.

This innovative scheme continues to be a balance between enhancing the natural environment whilst performing a flood defence function to protect communities at Dawlish Warren and in the Exe Estuary.

Beach goers can now reap the benefit of an improved beach at the western end and once the scheme is complete we'll have reduced the risk of flooding to more than 2,900 properties around the Exe Estuary.

Beach replenishment works will continue through the summer, with another 50 Olympic swimming pools worth of sand being placed on the eastern half of the beach. This part of the scheme will be complete by the end of August. Dredging and beach recharge was specifically programmed between June and August to protect internationally important species of birds and to protect fish movements in the Exe Estuary.

The trailing suction hopper dredger, the Mahury, which has been collecting sand from Pole Sands, just off shore from Dawlish Warren, will stay in situ until beach replenishment is complete.

Councillor Humphrey Clemens, Teignbridge District Council's executive member for housing and planning which includes coastal services, said:

This is excellent news for residents, traders and visitors, and it is even better news that the recharge work for the main beach has been completed ahead of schedule.

Credit should go to the teams on the ground carrying out this work: BMM the contractor, alongside staff from Teignbridge and the Environment Agency. Importantly, thanks go to the many residents, traders and visitors for their patience and understanding so far.

The safety and interests of the public have always been our main consideration throughout the works and many have been very positive and genuinely interested in what's happening.

There's still work to do with recharge continuing on a section of the beach past groyne 6 but it's progressing well. Dawlish Warren beach is looking wonderful and the area will now benefit from a multi-million-pound investment in flood defences that provide a modern standard of protection but also help preserve the beauty of this special place.

Since work started in January, 1.2km of stone filled gabion baskets have been removed from the warren. The timber groynes have been refurbished, extended and replaced along the warren to help hold sand on the beach. Over 200 new 7 metre long kingposts have been installed to form the new groynes (groynes 10 to 14) and more than 1,500 new planks have been installed to raise the groynes to suit the new beach levels. Construction of a new revetment between groynes 3 and 4 is ongoing but will be complete before the school summer holidays.

Work on the new 'sandbag' defence buried deep under the dunes at the narrowest point of the warren (the Neck) will be ongoing throughout the summer. Giant bags are being pumped full of sand and water which drain to create compacted sand bags up to 2.85 metres high. When finished, the bags will be buried in the back face of the dune. This structure is designed to reduce flood risk behind from the most severe of storms and prevent the warren breaching along this vulnerable section.

The main construction works are due to be finished by October.

The estimated economic benefit of the warren continuing to shelter communities and the main railway line from storms has been calculated at around £158 million.

News about Dawlish Beach Management Scheme will be shared via:

Speech: Digital Infrastructure Investment Fund launch: Exchequer Secretary speech

Thank you for welcoming me to Peterborough this morning – and in particular, my thanks to the Future Business Centre for hosting us.

There couldn't be a better place to come and talk about how we get Britain ready for the next generation.

This isn't just a city that's pioneering the way forward in the UK.

It's also leading the way internationally too.

It's an amazing achievement that Peterborough beat the likes of Dubai and Moscow to take the Smart City Award just two years ago.

And everyone who has played a part in that should feel really proud of all you've accomplished to make this city such a technological, digital and ecological leader.

We want the rest of Britain following your lead, so it's not just individual cities like Peterborough that are smart, it's our nation as a whole.

Because our connectivity matters.

It's always been one of the most important ways to get your economy growing and your productivity improving.

Just think about what we've seen throughout Peterborough's history.

From the old Roman roads that took goods like ceramics, corn and iron ore across ancient Britain.

To the developments of the Nene in the 18th century, which made Peterborough a hub for traffic from both the Northern Fens and Northampton.

Or the arrival of the Great Northern Railway between Peterborough and York in 1850, bringing new people, trade and wealth to the city.

If you make the movement of goods and people possible, if you make it easier, if you make it faster, you become more productive, and more prosperous as a result.

A Digital Age

You can still see that principle informing the policies of the government today.

That's why we've been investing historic amounts in Britain's road and railway network— something I won't get started on, because as a former Transport minister, I could talk at some length on the topic.

But in today's world, it's also about more than just the physical connections, that get people and products from A to B.

When Tim Berners-Lee made the first post on his hypertext site back in the summer of 1991, he kickstarted the world wide web and gave birth to a new, digital age.

And what changes we've seen since then!

I can still remember, for example, when I was at school in Bradford, and we had a special class trip to the University to see a computer!

I went on to be one of the first thousand or so pupils to do an O Level in Computer Science – but it was a bit odd by today's standards.

Back then, we were still punching programs into pieces of card!

Nowadays, kids are learning to code at school, and playing on iPads and smart phones at home.

Society has changed, and almost beyond recognition, with the rapid advances of new technology.

And it's our job to make sure Britain's digital infrastructure keeps pace.

Up to now, we've been working on getting as many of our communities as possible connected to superfast broadband.

And we've come a really long way – with over 90% of homes now able to do that – a far higher proportion, incidentally, than most advanced economies are able to boast.

But we're not done.

We expect to get that percentage up to at least 95% of homes by the end of this year.

And we are working on providing a decent level of connectivity to that final 5%, including through our universal broadband commitment.

I take a particular interest in this as the Member of Parliament for Harrogate and Knaresborough, with a few country villages in my constituency which still aren't connected.

So I fully understand how much it matters to people.

In fact, my local estate agents tell me it's one of the first questions people ask when they come to view a property.

Yes it's lovely, but has it got broadband?

Well we're going to be continuing our work to make sure that in the future, the answer to that question will be a straightforward yes.

But there's a new priority we're turning to now.

And that's getting our internet connections up to the kind of speed and reliability that people are increasingly looking for – and will be essential as our data needs soar in the future.

The problem is that at the moment most people's broadband runs off old telephone lines and cables that were laid decades ago.

We may even think we've got fibre broadband.

But actually, we're often still relying on old copper wires for the final bit of the connection to our homes, and some of these – I'm not joking – date back over a hundred years.

Just the average age is about 33 years!

Well our needs, and our technologies, have moved on in that time.

And what we want now is full fibre.

Glass tubes to bring homes and businesses internet at lightning speed, and consistent reliability – even through storms and floods!

Full fibre really represents a giant step forward.

Because I'm sure the vast majority of us – if not all of us – have got broadband at home.

But we'll all have noticed that at certain times of high demand, our internet speeds drop to a crawl.

That film you were watching keeps buffering.

That document you need to send to work just won't upload.

Or your housemate's game is making every other device in the house operate at a frustratingly slow pace.

Well, that's not some mystical phenomenon, when the Gods of the Internet just aren't on your side.

It all goes back to those ageing lines that are connecting you, which just can't cope with the level of demand they're being put under.

That's what this government is acting to change – and the change starts today!

Because I've come here to launch a new national investment fund to get full fibre coming to people's homes.

Up to now, we've only had pockets of places across the country starting to get full fibre – and Peterborough is of course one of those places which is really at the head of the pack.

But in general this is a market which is still in the early stages of its development.

We've got a number of new and smaller scale companies which want to change that.

They want to install full fibre networks, to offer the next generation of fast, reliable internet to more and more homes and businesses.

But the problem is that it's now often difficult, or expensive, for them to get the investment they need to do so.

Which is why government is stepping in to help get that ball rolling.

And we're doing it in a really innovative way.

We're putting up [£400 million pounds](#), and we're getting fund managers to invest that wisely on our behalf.

Those fund managers, I'm delighted to say, are here today, and I can announce that it's two companies, M & G Investments and Amber Infrastructure, which have both got a really strong track record of investment.

They'll not only be investing our money in companies installing fibre across the UK, with a view to getting us a good return.

They'll be using our investment to bring other private investors on board, who will match our investment on the same terms.

They expect to unlock more than a billion pounds of investment in that way.

And the great news is that they've already managed to get a significant amount of private investment agreed, so that the fund can start straightaway.

So we're ready to hit the ground running.

And in just two days time, on Wednesday, we've got all the players in this market coming to the Treasury to meet the new fund managers and hear first-hand how the fund could help them roll out their plans.

Soon, then, we'll have investment flowing, and companies getting the capital they need to expand their full fibre networks.

That's just the start this industry needs.

It will help these companies prove that the demand is there, that the profit is there, and that investors who back them can earn a good return.

So by taking the step we've taken today, we can unlock for the future a steady flow of private investment into the market, and bring the best quality internet to homes, organisations and businesses across the country.

So it's a real pleasure to be here with you in Peterborough today, to celebrate the beginning of this new chapter in Britain's digital development.

Because it all comes back to the point I started out with.

If we become better connected – whether physically or intellectually, through our transport links or our digital connections – the benefits to our society and our economy will be transformational.

We've seen that here in Peterborough as a result of your ongoing journey to be an innovative, smart city.

Now let's see the rest of the UK catching up, as we get our internet up to spec, our economy up to speed, and prepare the way for a new wave of British enterprise, growth and prosperity.

[News story: Change of name for DCMS](#)

In a move that acknowledges the way the Department's remit has evolved, the Prime Minister and Culture Secretary Karen Bradley have agreed a departmental name change. The Department will continue to be referred to as DCMS in all communications, but is now the department for Digital, Culture, Media and Sport.

Secretary of State for Digital, Culture, Media and Sport, Karen Bradley said:

DCMS celebrates its 25th anniversary this year, and it is fitting now to include Digital in the name. The department has taken on significant new responsibilities in recent years, so that half of its policy and delivery work now covers the digital sectors – telecommunications, data protection, internet safety, cyber skills and parts of media and the creative industries.

The traditional core of DCMS remains as important as ever, covering Arts, Culture, the Creative Industries, Sport, Tourism, Heritage, Gambling, boosted by responsibility for civil society, charities, volunteering and innovative financing to create an inclusive economy. This work makes an essential contribution to driving growth and enriching lives.