

News story: Finance Bill legislates for remaining tax changes

'A fair tax system is a key part of our plan to build a fairer society', says Mel Stride, Financial Secretary.

The [second Finance Bill of 2017](#), published today (8 September), will make the tax system fairer by cracking down on avoidance and evasion, and will bring in vital tax revenue needed for public services.

Measures include:

- new penalties for those who enable the use of tax avoidance schemes that are later defeated by HMRC
- an update on the rules around company interest expenses, to ensure big businesses cannot use excessive interest payments to reduce the amount of tax they pay
- changes to prevent individuals from using artificial schemes to avoid paying the tax they owe on their earnings

Mel Stride, Financial Secretary to the Treasury and Paymaster General said:

A fair tax system is a key part of our plan to build a fairer society.

The UK is a world leader in tackling tax avoidance and evasion, but we must continue to take action to ensure everyone pays their fair share. The Finance Bill will allow us to do just that by preventing companies and individuals from using complicated tax structures to avoid paying the tax they owe, and penalising people that help them to do it.

Measures in the Finance Bill build on the government's successful track record. Since 2010, HMRC has secured over £160 billion in additional tax revenue as a result of tackling avoidance, evasion and non-compliance – helping the UK to achieve one of the lowest tax gaps in the world.

This Finance Bill also addresses a number of imbalances in the system, ensuring that everyone pays their fair share of tax by:

- abolishing permanent non-dom status, so that those who have lived here for years – and in some cases for their entire lives – pay tax in the same way as UK residents
- reducing the dividend allowance from £5,000 to £2,000 from April 2018, limiting the difference in tax treatment between those who work through their own company, and those who work as employees or self-employed, whilst ensuring that support for investors is more effectively targeted

- reducing the Money Purchase Annual Allowance from £10,000 to £4,000, limiting the extent to which people can recycle their pension savings to get extra tax relief
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[News story: Science Minister announces new Chief Finance Officer of UK Research and Innovation](#)

Ian Kenyon, current Chief Finance Officer (CFO) of Cancer Research UK, will become the first CFO of [UK Research and Innovation \(UKRI\)](#), Science Minister Jo Johnson confirmed today (8 September 2017).

Ian will work closely with UKRI Chief Executive, [Sir Mark Walport](#), its Board, and the Executive Chairs to establish UKRI and ensure it plays a central role in delivering the government's Industrial Strategy.

As CFO, Ian will ensure the new organisation operates efficiently and effectively as a unified body, enabling UKRI to maximise opportunities for the UK's world-class research and innovation base.

Ian will have oversight of UKRI's £6 billion per annum portfolio of research and innovation funding which will grow over the course of this Spending Review, as part of the £4.7 billion R&D investment announced during last year's Autumn statement.

Science Minister Jo Johnson said:

Ian's extensive experience in both the private and charity sectors means he is the perfect choice to handle UKRI's financial management and ensure we are supporting the continued success of the UK's innovative research base in its efforts to address global challenges.

UKRI Chief Executive Designate Professor Sir Mark Walport said:

I am delighted to welcome Ian to the team and look forward to working closely with him on the establishment of UK Research and Innovation. Ian is a superb addition to the organisation. His experience at Cancer Research UK, knowledge of the sector and expertise in financial and corporate services, will be invaluable to the organisation.

Ian Kenyon said:

I am incredibly excited to be appointed as the first Chief Finance Officer of UK Research and Innovation and become part of the team delivering upon the terrific opportunities that UKRI presents for the UK's research and innovation sectors. This role builds on my experience to date and is a natural move for me from Cancer Research UK.

UKRI represents a huge opportunity for the UK, building on the successes and world class science, arts and humanities that we already deliver, as well as to work more collaboratively and across research disciplines to benefit everyone in the UK and more widely. I look forward to working with my new colleagues to deliver on the vision.

[News story: New jobs and billions to UK economy from innovation grants](#)

Innovation grants from government have created an extra 150,000 jobs and stimulated growth worth £43 billion turnover for the UK companies involved, according to research from [Enterprise Research Centre](#) (ERC).

The study – called '[Assessing the business performance effects of engagement with publicly-funded science](#)' – looked into research and development grants over a 13-year period. It tracked the impact of grants totaling £8 billion, which went to nearly 15,000 firms. Included in this number were grants from Innovate UK and the [Engineering and Physical Sciences Research Council](#) (EPSRC).

Main findings show that across all grant recipients:

- employment grew by 6% in the short-term and 23% in the longer-term (after 6 years)
- turnover grew by 6% in the short term, and 28% in the longer term
- an estimated 150,000 new jobs were created, many in highly-skilled sectors such as biotechnology, medical equipment, engineering, life sciences and high-tech manufacturing
- productivity grew by 6% in the longer term

Strong, positive impact

Speaking at the [ERC Annual State of Small Business Britain Conference](#), Innovate UK Deputy Chief Executive, Kevin Baughan said:

Innovate UK welcomes this latest research, which highlights the strong, positive impact that public research and innovation grants are having on UK businesses, and on the wider UK economy.

This provides a strong foundation from which to build on our ambitions for the future. For example, enabling businesses to build more effectively on the world-class research base through the Industrial Strategy Challenge Fund; transforming existing industries and creating completely new ones; and accelerating the deployment of patient capital by bringing venture capital match funding alongside Innovate UK grant funding.

Government has committed an extra £2 billion a year for research and development by the end of the current parliament, taking the total spend to £4.7 billion.

This will be partly funnelled through the Industrial Strategy Challenge Fund, which aims to tackle the biggest societal challenges facing the UK and support high-growth sectors. This includes:

- medicines
- robotics and artificial intelligence (AI)
- electrification of batteries for vehicles

Science Minister, Jo Johnson said:

As the report by the Enterprise Research Centre shows, Innovate UK and our Research Councils are taking a leading role in delivering research and development funding that has real impact.

Through our Industrial Strategy and additional investment of £4.7 billion, we are ensuring that businesses in every corner of the country have the support they need to continue our global leadership in science and innovation.

Sector and regional differences

Other trends observed in the study include that the biggest growth in both employment and turnover was with manufacturing firms. These grew by 24% and 33% respectively.

There were also variations in the types of firms to benefit regionally. Although businesses across all parts of the UK have received funding, the biggest investments occurred in the 'golden triangle' of London, Cambridge and Oxford. In addition, the South East, West Midlands and Eastern Scotland were major beneficiaries.

Job creation was strongest in London at 31%, followed by the South East (25%) and the North West (25%). Turnover of grant-receiving firms was boosted most in Scotland (29%), Yorkshire (31%) and London (35%).

Kevin continued:

While the ERC research shows that, over 13 years, the biggest investments occurred in the golden triangle, if we jump ahead to the last year of Innovate UK's grant funding, we find that [the highest level of investment per number of businesses was in the North East, followed by the West Midlands](#).

Business-led innovation is alive and well right across the UK.

More on the ERC

The ERC is a network of university researchers. Its core team is based at [Warwick Business School](#) and [Aston Business School](#), Birmingham. It is the UK's leading independent research institute in the drivers behind private sector firm growth.

Professor Stephen Roper, Director of the Enterprise Research Centre, said:

This is the largest and most detailed study yet of the impact public funding for science and innovation has on growth at the firm level.

It shows very clearly that grants to support R&D have a positive impact, creating jobs and fueling growth in the high-tech, high value-added sectors that the UK must encourage to remain competitive on the world stage.

It's well established that innovation grants can help with commercialising new technology by providing firms with additional financial slack to undertake riskier research activity which might take time to deliver products or services that are market-ready.

[Press release: Lammy publishes historic review](#)

The Right Honourable David Lammy MP has today (8 September 2017) published his [final report](#) into the treatment of, and outcomes for, Black, Asian and Minority Ethnic (BAME) individuals in the criminal justice system.

It contains 35 recommendations, including introducing assessments of a young offenders' maturity, exploring how criminal records could be 'sealed', and

allowing some prosecutions to be 'deferred'. David Lammy also urges the justice system to take major steps to increase diversity and transparency.

The study found that BAME disproportionality in the criminal justice system costs the taxpayer at least £309 million each year, as well as a number of other concerning statistics. For example, the proportion of BAME young offenders in custody rose from 25% to 41% between 2006 and 2016, despite the overall number of young offenders falling to record lows.

Meanwhile, evidence shows the rate of Black defendants pleading not guilty in Crown Courts in England and Wales between 2006 and 2014 was 41%, compared to 31% of white defendants. This means they lose the possibility of reduced sentences and it raises questions about trust in the system.

The Lammy Review also revealed that the BAME proportion of young people offending for the first time rose from 11% in 2006 to 19% a decade later. There was an identical increase in the BAME proportion of young people reoffending over the same period.

The Review has taken 18 months to complete and, as well as visiting communities and institutions across the UK, has encompassed fact-finding visits to countries including the US, Canada and New Zealand.

Taking inspiration from youth justice in Germany, David Lammy argues that rigorous assessments of a young offender's maturity should inform sentencing decisions. Those judged to have low levels of maturity could also receive extended support from the youth justice system until they are 21.

The Review also calls for 'Local Justice Panels' to be established, taking inspiration from New Zealand's Rangatahi courts, where local people with a direct stake in a young offender's life are invited to contribute to their hearings. These panels would normally deal with first-time offenders given community sentences, include key figures such as teachers or social workers, and hold local services to account for a child's rehabilitation.

On youth justice, the Rt Hon David Lammy MP said:

Youth justice may be regarded as a success story, but this is no time for self-congratulation.

Despite fewer young offenders than a decade ago, the proportion of BAME young offenders has risen disturbingly.

The system also appears to have given up on parenting – just 189 parenting orders were issued last year, despite 55,000 youth convictions.

Unless we see fundamental reform, these young people will become the next generation of adult offenders, stuck in a cycle of crime, unemployment and welfare.

David Lammy also makes pioneering recommendations for judges, prosecutors and prisons. In one particularly radical proposal, he calls for a 'deferred prosecution' model to be rolled out, allowing low level offenders to receive targeted rehabilitation before entering a plea. Those successfully completing rehabilitation programmes would see their charges dropped, while those who did not would still face criminal proceedings.

The scheme has been piloted in the West Midlands, with violent offenders 35% less likely to reoffend. Victims were also more satisfied, feeling that intervention before submitting a plea was more likely to stop reoffending.

All sentencing remarks in the Crown Court should also be published, making justice more transparent for victims, witnesses and offenders, and addressing the 'trust deficit' between BAME individuals and the justice system. David Lammy argues this has contributed to Black and Asian men and Asian women being over 50% more likely than their White counterparts to enter a not guilty plea.

The Review found that BAME defendants often pleaded "not guilty" and opted for trial in the Crown Court, because they had more confidence in the fairness of juries than they had in the fairness of magistrates' courts.

On the 'trust deficit,' David Lammy said:

Over representation of BAME individuals has resulted in a chronic 'trust deficit', as well as costing the taxpayer over £300 million a year.

Many BAME defendants simply do not believe that the justice system will deliver less punitive treatment if they plead guilty.

The best way to ensure fair, equal treatment is to subject decision-making to scrutiny – helping identify and eliminate bias at source.

He also argues the UK should learn from the US system for 'sealing' criminal records, claiming ex-offenders should be able to apply to have their case heard by a judge or independent body, such as the Parole Board, where they could prove they have reformed.

The judge would then decide whether to 'seal' the record, having considered factors such as time since the offence and evidence of rehabilitation. If the decision goes the applicant's way, their record will still exist, but the individual would not need to disclose it and employers would not be able to access it.

On sealing criminal records, David Lammy said:

A job is the foundation of a law-abiding life and the key to reform for any offender.

Our criminal records regime must protect the public, but it is having the opposite effect and trapping offenders in their past.

We need a more flexible approach which recognises when people no longer pose a risk to society and gives a chance to start afresh.

Other notable recommendations include:

- the Crown Prosecution Service should revisit its approach to gang prosecutions, including reviewing its role in protecting vulnerable children and women who are often coerced into gang activity
- new tools like modern slavery legislation must be used to hold adult criminals to account for their exploitation of young people
- the government should set a national target to achieve a representative judiciary and magistracy by 2025
- the prison governors should ensure Use of Force Committees are not ethnically homogeneous, with consequences for officers misusing force on more than one occasion.
- the Prison Service should set public targets for moving a cadre of BAME staff through into leadership positions over the next 5 years
- a new approach should be agreed to record and publish ethnicity data. In particular, the CPS and courts should collect more data on religion so the treatment of different religious groups can be examined

On his recommendations as a whole, David Lammy said:

My review clearly shows BAME individuals still face bias – including overt discrimination – in parts of the justice system.

It is only through delivering fairness, rebuilding trust, and sharing responsibility that we will build the equal and just society so often spoken about.

As the Prime Minister said, if you're black, you're treated more harshly by the criminal justice system than if you're white. Now is the time to stop talking and take action.

However, he makes clear that many of the causes of BAME over-representation lie outside the criminal justice system. For example, black children are more than twice as likely to grow up in a lone parent family, and black and mixed ethnic boys are more likely than white boys to be permanently excluded from school. David also makes clear that government policy can only go so far, and challenges communities to assume greater responsibility.

On community responsibility, David Lammy said:

The criminal justice system has deep-seated issues to address, but there is only so much it can do.

The factors behind BAME over-representation begin long before a guilty plea, court appearance, or prison sentence.

Communities must take greater responsibility for the care and development of their people – failing to do so only damages society as a whole.

These formal recommendations mark the completion of the Lammy Review, and follow the publication of its emerging findings last November. The Review commissioned an analysis paper looking at disproportionality in the criminal justice system which found that BAME defendants are more likely to go to prison for certain types of crime. One finding was that for every 100 white women handed custodial sentences at Crown Courts for drug offences, 227 black women were sentenced to custody. For black men, this figure is 141 for every 100 white men.

Notes to editors

In January 2016, the former Prime Minister David Cameron asked David Lammy to lead a review of the Criminal Justice System in England and Wales, to investigate evidence of possible bias against black defendants and other ethnic minorities.

His successor, Theresa May, said on the steps of Downing Street that: “If you’re black, you’re treated more harshly by the criminal justice system than if you’re white”.

The Lammy Review was supported by the Ministry of Justice and a panel of expert advisers. The review considered evidence from the point of arrest onwards

David Lammy is MP for Tottenham and has served as chair of the All Party Parliamentary Group on Race and Community since 2010. A former Minister of State, he qualified as a barrister in 1995. David received cross-party praise for his work on the 2011 London Riots and authored the book ‘Out of the Ashes: Britain after the Riots in 2011’.

The members of the advisory panel for the Lammy Review are: Lord Victor Adebawale CBE, Dame Sally Coates DBE, Dame Linda Dobbs DBE, David Isaac CBE, Professor Binna Kandola OBE, Baroness Ruby McGregor-Smith CBE, Sir Martin Narey DL, Dame Anne Owers DBE, Sarah Payne CB, Trevor Phillips OBE, Matthew Ryder QC, Sir Keir Starmer KCB QC MP, Baroness Lola Young OBE, Simon Woolley, Shaun Bailey AM, Suella Fernandes MP.

For interview requests, a copy of the review or more details, please contact the Lammy Review press team on 0203 334 3503.

Press release: Update from Priti Patel on the UK's response to Hurricane Irma

Updating on the UK's response to Hurricane Irma, International Development Secretary Priti Patel said:

When crisis hits, it is right that the world looks to Britain for its leadership and the UK has already provided lifesaving support.

The UK has already sent emergency UK aid relief supplies including 200 shelter kits, each able to support a family of five, providing immediate relief to 1,000 people who have lost their homes.

I have sent world leading humanitarian experts to the region who are working with the British Red Cross to urgently assess need and ensure that the UK's help reaches those whose lives have been torn apart by the destruction wrought by Hurricane Irma.

1. The most powerful hurricane ever to hit the Atlantic has devastated buildings and infrastructure – and worse, it has done irreparable damage to families and communities. Several have lost loved ones, and some in the region are missing.
2. The UK Government has announced extra emergency support to provide assistance to those affected by the deadly Hurricane Irma, the most powerful of its kind ever recorded.
3. RFA Mounts Bay, which has 40 Royal Marines and Army Engineers on board, and her personnel are on site helping local authorities to restore vital support such as clean water, sanitation, temporary shelter and if required, medical assistance
4. The ship houses equipment to move earth or debris, repair infrastructure to provide clean water and transport water Equipped with boats and helicopters to access affected islands, the ship also carries emergency relief supplies.
5. A task force has been sent to the region, and over the next 24 hours troops and engineers will deploy with helicopters to support the relief effort. We have also sent a command headquarters to co-ordinate our efforts.
6. With the danger posed by Hurricane Jose which will hit areas already affected by the storms we are diverting a second ship to the Caribbean, our flagship HMS Ocean, to bring the help that will be needed in reconstruction after the hurricanes have passed.

7. Today's support can also be used to charter flights to deliver additional aid supplies into the region, or heavy machinery if needed.
8. Three humanitarian experts were sent to the region ahead of Hurricane Irma to assess needs on the ground and help prepare for the disaster.
9. A fourth adviser has also been sent and will arrive later today to provide vital expertise to help co-ordinate the response.
10. MapAction, a British charity funded by UK aid, has sent a two person Disaster Mapping Team to the Caribbean to support mapping and information management for partners on the ground.