

News story: Next steps on the Finance Bill and Making Tax Digital

Three million of the smallest businesses and landlords will be able to move to the new digital system for keeping tax records at a pace that is right for them, Ministers announced today as they set out the next steps for the Finance Bill.

The government has listened to concerns raised by parliamentarians, in particular the Treasury Select Committee, businesses and professional bodies about the pace of change and is taking steps to ensure a smooth transition to a digital tax system.

Making Tax Digital will help bring the tax system into the 21st century by providing businesses with a modern, streamlined system to keep their tax records and provide information to HMRC. Roll out for Making Tax Digital has been amended to ensure businesses have plenty of time to adapt to the changes.

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

Businesses agree that digitising the tax system is the right direction of travel. However, many have been worried about the scope and pace of reforms.

We have listened very carefully to their concerns and are making changes so that we can bring the tax system into the digital age in a way that is right for all businesses.

Under the new timetable:

- only businesses with a turnover above the VAT threshold (currently £85,000) will have to keep digital records and only for VAT purposes
- they will only need to do so from 2019
- businesses will not be asked to keep digital records, or to update HMRC quarterly, for other taxes until at least 2020

Making Tax Digital will be available on a voluntary basis for the smallest businesses, and for other taxes.

This means that businesses and landlords with a turnover below the VAT threshold will be able to choose when to move to the new digital system.

As VAT already requires quarterly returns, no business will need to provide information to HMRC more regularly during this initial phase than they do now.

All businesses and landlords will have at least two years to adapt to the

changes before being asked to keep digital records for other taxes.

HMRC are fully committed to supporting businesses in this transition. HMRC has already begun piloting the Making Tax Digital services and will continue to do so, testing the system extensively with businesses. It will start to pilot MTDfB for VAT by the end of this year, starting with small-scale, private testing, followed by a wider, live pilot starting in Spring 2018. This will allow for well over a year of testing before any businesses are mandated to use the system.

Ministers also confirmed today that the Finance Bill will be introduced as soon as possible after the summer recess. This will legislate for all policies that were included in the pre-election Finance Bill, raising over £16 billion across the next five years to fund our vital public services.

The government has also re-confirmed that all policies originally announced to start from April 2017 will be effective from that date.

Further Information

These changes will be legislated for as part of the Finance Bill 2017.

Changes to VAT reporting will come into effect from April 2019. From that date, businesses above the VAT threshold have to provide their VAT information to HMRC through Making Tax Digital software.

Millions of businesses are already banking, paying bills, and interacting with each other and their customers online. Making Tax Digital will help businesses to get their tax bills right the first time and reduce the £8 billion tax gap resulting from avoidable errors.

[Press release: 5% decrease in number of scientific procedures on animals](#)

The number of scientific procedures carried out on live animals has decreased by 5% in the last year, according to the [annual statistical report released today](#), Thursday 13 July 2017.

The total number of procedures decreased to 3.94 million from 4.14 million, a 206,000 reduction compared with 2015.

The number of experiments rose to a peak of 5.61 million in 1971, followed by a steady fall to 2.62 million procedures overall in 2001. Since then, the number of procedures has shown a general increase, predominantly due to the advent of gene technology and the breeding and use of genetically altered animals, but in recent years has remained around 4 million.

Of the 2.02 million experimental procedures that took place in 2016, 5.6 % (114,000) were assessed as severe procedures compared to 5.9 % (123,000) in 2015.

Of the 1.91 million procedures that took place in 2016 involving the creation/breeding of genetically altered animals that were not used in further procedures, 2 % (40,000) were assessed as severe, compared to 3 % (62,000) in 2015.

A Home Office spokesperson said:

The UK has one of the most comprehensive animal welfare systems in the world and we are completely committed to the proper regulation of the use of animals in scientific research.

This research helps us to ensure that medicines are safe to use and to find treatments for cancer and other diseases, among a range of other benefits.

Our legislation provides a rigorous regulatory system that ensures animal research and testing is carried out only where no practicable alternative exists and under controls which keep suffering to an absolute minimum.

[News story: £40m investment in high-tech Typhoon Defence System](#)

The contract, announced at today's Airpower Conference in London, has been awarded to UK-based company Leonardo and will upgrade the aircraft's Defensive Aids Sub System (DASS).

The DASS will upgrade the way the aircraft protects itself from a full range of threats, including enemy aircraft and missiles launched from the ground, enabling it to continue carrying out successful missions like protecting Britain's skies as part of Quick Reaction Alert and defeating Daesh in Iraq and Syria as part of Op Shader.

Running over a two year period, the contract will sustain 65 high-value jobs at Leonardo's site in Luton, as well as 41 jobs at BAE Systems in Warton, Lancashire.

The contract comes as Royal Air Force pilots test advanced weapons and software upgrades for the Typhoon.

Defence Secretary, Sir Michael Fallon said:

Our Armed Forces face ever-evolving threats so we must invest in cutting-edge technology to ensure they can operate in hostile theatres. Our growing Defence budget and £178 billion equipment plan makes this possible; giving UK forces the defences they need to protect them, their kit and the people of Britain.

The RAF's Typhoon jet is already a state-of-the-art combat aircraft that protects the UK both at home and abroad, but today's announcement is a clear example of how it is being continually enhanced and upgraded so it remains as effective tomorrow as it is today.

The Typhoon, which provides a Quick Reaction Alert to help protect the UK, is expected to operate in a range of hostile environments with the Defensive Aids Sub System providing a set of self-defence sensors and countermeasures which detect and evaluate potential threats and automatically deploy the most effect countermeasure.

Chief Executive Officer at the MOD's Defence Equipment and Support organisation, Tony Douglas, said:

This contract is the product of close cooperation between MOD and Industry and comes at an incredibly productive time for Typhoon which has also seen a new package of advanced weapons, software and avionics enhancements being tested by Royal Air Force pilots.

This upgrade will ensure Typhoon can identify and defeat known and emerging threats and shows that the MOD is committed to ensuring our Armed Forces have the best equipment and technology available to them.

The Defensive Aids Sub System includes Electronic Support Measures, missile warning, on-board electronic countermeasures and towed radar decoys.

The Typhoon force is currently operationally based at RAF Coningsby in Lincolnshire, RAF Lossiemouth in Scotland and the Falkland Islands.

[News story: Update on school cladding safety checks](#)

Following the Grenfell fire, as part of the government's determination to ensure children's safety, schools, further education colleges and universities across the country have all been contacted and asked to carry out building checks to identify those that might require further

investigation.

These checks have included asking those responsible for the safety of school buildings to identify where external cladding has been used on buildings and its type. In line with a cross-government approach, any buildings with Aluminium Composite Material (ACM) cladding above 18 metres will have samples of that cladding sent for testing to see what type it is.

As of today, 13 July, cladding from two school buildings has been tested by the Building Research Establishment (BRE), the body carrying out checks on all buildings on behalf of the government.

Results of these two tests confirmed that the cladding was not of limited combustibility and the affected schools have been informed.

The schools tested to date are:

- One secondary academy in London
- One primary special school in London is part of a residential block which has ACM cladding that has not passed combustibility tests.

The advice endorsed by the National Fire Chiefs' Council makes clear that the fire risks posed by those buildings with ACM cladding, which is not of limited combustibility can be mitigated by other actions and additional checks.

As a precautionary step, both schools have already been inspected by the Fire and Rescue Service who confirmed appropriate measures are in place to mitigate the risks from potential fire, and the buildings have now been declared safe for continued use.

Both buildings have been designed to meet stringent fire safety requirements and evacuation procedures are routinely tested as part of fire drills.

The department is continuing to work closely with the schools concerned to support them and ensure all the necessary steps are taken to ensure the continued safety of the buildings.

As part of this each school has a named contact within the department to guide them through this next steps.

All schools already have to follow a range of strict fire safety regulations designed to ensure they are as safe as possible and extremely well prepared in the event of a fire. They must have robust plans to follow in the event of a fire, conduct regular fire drills, install sprinklers if an assessment deems them necessary and typically have multiple exit routes.

Notes to Editors:

Updates on further test results for education establishments will be released as they become available.

Under the Regulatory Reform (Fire Safety) Order 2005, schools are required

to:

- maintain their buildings to ensure they are appropriate to protect from the cause and spread of fire;
- have adequate fire precautions in place to allow the safe escape of occupants in case of fire;
- and conduct termly drills, so that pupils and staff are able to evacuate quickly in the case of fire.

Speech: Liam Fox celebrates trading relationship between the UK and Spain

Your Majesty, Your Royal Highness, Lord Mayor, Ladies and Gentlemen.

Our surroundings here at Mansion House, where we are so kindly hosted by the Lord Mayor, are a reminder of the long history of trade that this country has enjoyed.

We are at the heart of the City of London Corporation, an authority that was founded to protect the skilled labour and trading freedoms that made London, for centuries, the commercial capital of the world.

Although the City of London Corporation may have almost a thousand years of history behind it, the Spanish have been here for far longer.

Since Roman times, trade has flourished between the Iberian Peninsula and the British Isles. The legions may be long gone, but many of the products they imported from Iberia into Britannia would be familiar to us today – wine, olive oil, clothes.

In the fifteenth Century King Edward IV, recognising the quality and demand for Spanish goods in these islands, signed a charter allowing the Basques to sell their wares freely throughout England. Soon after, an early piece of free trading history was made, when the city of Guernica reciprocated the arrangement.

Mutual investment, too, has long flourished between Spain and Britain. The British may be famous for their love of Spanish sherry, but where would that industry be without familiar names like Osborne, or Harvey?

Such examples may seem to us like ancient history, but they are a reflection of a commercial relationship that continues unabated.

Today, the bilateral trade between Spain and the UK stands at some £40 billion.

Spain is the UK's ninth largest export market, receiving more of our goods

and services than Brazil and India combined.

Over 700 UK companies have invested in Spain, and their operations have created over a quarter of a million jobs across Spain, from Santander to Cadiz.

Here in the UK, Spanish trade and investment has reached the lives of millions of people. In fact, anyone who has ever flown into London will have almost certainly landed at a Spanish-owned airport, then taken a Spanish-built train into the City along Spanish-laid rails, all powered by electricity generated by Spanish-owned offshore power!

Of course, the real foundation of the Spain-UK partnership is the personal connection of our people.

Over 11,000 Spanish students study at UK universities. 300,000 British citizens live and work in the Spain. Every year, there are 30 million air passenger journeys between our 2 countries – more than between the United States and Canada.

It is a remarkably fruitful relationship.

We are here today not only to celebrate our past, and to congratulate ourselves on the strength of our current relationship, but also to look to the future.

The United Kingdom is opening a new chapter in its history, and the values that we share, politically, economically and socially, will ensure that our relationship continues to flourish.

At its heart is the continued faith that companies, like those represented here today, continue to show in the Spanish and British economies.

The UK has for several years been the most popular destination in Europe for Spanish overseas investment, but in 2015 we overtook the United States, and now attract more investment from Spain than any other country on Earth.

Companies from across Spain are flocking to the UK, keen to tap into our world-class research and development sector, our financial services industry, or simply take advantage of our unrivalled access to world markets.

In all corners of the United Kingdom, Spanish companies are investing to take advantage of access to skilled local workforces and local markets.

As Secretary of State for International Trade, the UK's global economic department, I am delighted that Spanish investors are recognising all that Britain has to offer them.

Spanish rolling stock manufacturer CAF has today announced that it is to start building trains and trams at a new factory in South Wales. The company will invest £30 million in the plant near Newport, creating 300 jobs and giving an important boost to UK manufacturing and the Welsh economy.

Global leader in assisted fertility IVI is investing £15 million as they expand their offer across the UK, creating jobs and tapping into our world-class research capabilities.

Construction firm Sacyr have released the news that they are establishing their European headquarters in London, and my own Department for International Trade is supporting Gonvarri Steel Services in their construction of a new £26 million site in the West Midlands.

And of course, we cannot mention Spanish investment without acknowledging the on-going expansion of London Luton Airport by Spanish operator AENA, who is investing over £100 million in a major redevelopment which is expected to create over 10,000 jobs.

For all our long history together, the commercial relationship between Spain and the UK has never been more valuable, and as the economic recovery continues to boost businesses across our 2 countries, it is a partnership that can only grow more productive.

We are here today to celebrate the ties between our 2 nations, and to forge the personal and professional relationships upon which we will build still greater success.

Together, we can help to build a safe, secure and prosperous future, for Britain, Spain, and the world.

Thank you.