PML GROUP

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All Change!

"This is not an end but a beginning". With a nod to Winston Churchill's famous wartime Mansion House speech (following the Eighth Army's victory at El Alamein), Boris Johnson used his words to frame his first post-Brexit 'Address to the Nation'. It was simple and uplifting stuff – and you can read it here... [www.gov.uk/government/speeches/pm-address-to-the-nation-31-january-2020.](www.gov.uk/government/speeches/pm-address-to-the-nation-31-january-2020)

It was odd that the PM's historic 31st January Address wasn't carried by mainstream media. It seems that a spat had arisen between the media and No 10, resulting in Johnson's speech being released by the Government – with just edited clips being broadcast by the media as News items. Surely, we all deserved better than this?

Boris Johnson's speech was predictably optimistic and ambitious – qualities that seem deeply ingrained within his nature and which have carried him (and us all) to where we are now. His allusions to Churchill are no coincidence – Johnson being an impassioned devotee of our wartime Prime Minister and having written a biography of him 'The Churchill Factor' whilst London Mayor in 2014.

When Churchill declared himself an optimist, he also admitted "it doesn't seem to be much use to be anything else!" So, with both Churchill's sentiments - and Johnson's driving personal ambition in mind, let's look forward to some of what 2020 may be offering us.

If we're to gain comfort from the identity of those in charge of our economy, then the appointment of Andrew Bailey as Bank of England Governor looks to be a promising one. We're told that he's got much more in common with Eddie George and Mervyn King than he'll ever have with Mark Carney. We read that Andrew Bailey is a modest man who, after 30 years at the Bank, rising to Chief Cashier and Deputy Governor - and 4 years as CEO of the FCA, Bailey was, according to reports, the 'standout candidate in a very competitive field'.

The appointment of Rishi Sunak to Chancellor, following the shock resignation of Sajid Javid has cast next months Budget into a wholly new light. Rishi Sunak's family, educational and career background are quite different from that of his predecessor Sajid Javid. At 39, and the son of a family GP, Rishi Sunak rose to be Head Boy at Winchester College, went on to graduate with a 1st in Politics, Philosophy and Economics at Oxford and then an MBA at Stanford University.

As a family man, he lived for some years in California and prior to becoming MP for Richmond (Yorks) in 2015, he served as an Analyst with Goldman Sachs and subsequently made himself a fortune as a partner in a new Hedge Fund. As a full-bloodied 'Brexiter', Sunak declared that he's dead keen to seize the "new-found freedom of Brexit" and sees it as "an opportunity to be seized". Good.

The establishment of a Johnson/Sunak partnership may well give us a very different Budget from that which seemed likely to emerge from Savid Javid. The prospect of a 'wealth tax' and the threat to pension tax relief must surely have lessened – most probably in unison with(Treasury defying) higher government borrowing. It's well recognised that our new-found independence – and all that lies ahead in our trade negotiations carries both serious risk and mould-breaking opportunity. A fascinating year is unfolding before us.

Meanwhile let's turn our minds to initiatives that could be considered before the March Budget – and should, in any event, be considered before the tax year-end, in just 6 weeks time:

- Threatened cut-backs to pension contribution tax relief have preceded every Budget in recent times. This year is no exception. Higher-rate and Additional-rate relief is always vulnerable and looks increasingly exposed. If there's a relievable contribution to be made – especially for those in higher tax brackets, then why wait *(see Bulletin No 106 – January 2020)*.
- The Carry-forward of Unused Allowance remains especially vulnerable. With the right combination of circumstances, it's possible to make a wholly relieved single contribution of up to £120,000. If the opportunity exists for you then call us for guidance – as quickly as you can *(see Bulletin No 105 – December 2019)*.
- Personal Allowance, taxable Benefit in Kind and Child Benefit all carry tax pitfalls – and pension contribution opportunities. The opportunities lie in an ability to derive a double benefit from carefully calculated one-off pension contributions.

More on this in our next Bulletin – but if you can't wait, then just call …..

Geoffrey Stait
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