

Why are the Tories so keen to protect Osborne?

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I couldn't have imagined how sensitive the Tories are about George Osborne and how keen they are to protect him.

I made what I thought was a perfectly clear point before the Treasury Select Committee yesterday when I said that the timing of the announcement of the Vodafone tax deal almost a year ago just a week before Osborne went to India, during the course of which visit he both promoted the company and [reportedly intervened on its behalf with regard to its Indian tax affairs](#), was unfortunate when [that settlement was £1 billion less](#) than the company had provided in its accounts, especially in the light of questions raised about the way in which the deal was reached raised by others in the media, and not me, and the Tory members on the committee went ballistic.

As I made clear, I was not suggesting impropriety by anyone. I was not suggesting Osborne intervened in this case. I was not suggesting Vodafone got anything but a good deal (and come on, let's be realistic if you'd been asked to pay about £1 billion less than you expected then I think you might think you'd got a good deal) and I wasn't suggesting anyone in HMRC had acted incorrectly, although questions about why some of this tax was paid in instalments and without interest apparently being due were again fair questions for the committee to ask - but not to me because I can't explain them.

What I was saying was that in combination all those facts gave rise to doubt in some people's minds about whether the UK's tax system was being managed equitably, and if that had happened then it was bad news for the prospects of upholding the reputation of the Revenue in applying tax law impartially in the UK.

I think that fair: things can all be done properly and still smell wrong - and if there is risk of that then special care is needed to ensure that matters are appropriately handled. If that wasn't done in this case that was an error - but a political and a management error (and I was not saying anything else) and candidly it was one that reasonably competent people should have been able to predict and avoid.

And yes, as I said, the whole issue is not helped by the fact that far too much attention

is given to the unusual and distinct role of Dave Hartnett in both the management of this deal (if others reports are to be believed) and the Revenue in general and that is because of two things. First there are far too few people on the HMRC board who really know about tax and who have worked in HMRC. That leads to far too much reliance on Hartnett. And second, candidly, the role of the HMRC non-execs is far from clear and their capacity to influence for the good is unknown, and that needs to change.

None of that seemed to placate the Tories, although Labour and Lib Dems seemed pretty unflustered by all this.

So why are the Tories so keen to protect their man given the relatively modest nature of the suggestion made - which has certainly made by others before now? Why are they so sensitive? I don't know.

But I do know that the reaction seemed like overkill.

NB 1 : For the record - when I was asked if I thought Vodafone had paid the right tax I said 'I don't know'. That's because I don't. Not because I think they did pay the right tax. I don't know because I was not party to the information that led others to say a higher sum may have been due - although I presume that they said that in good faith. But 'don't know' in this case means 'I don't know' and nothing more. So don't spin it.

NB 2: Jesse Norman MP (a Tory) suggested that the right interpretation of the series of events was that everything should be seen to be being managed well with nothing to hide. Well, maybe, but no one has ever seemed to see it that way before, but I note it, for the record. All things are possible.

NB 3: I will add a blog on my follow up actions to this session shortly.