

Jamie Stone MP
Caithness, Sutherland and Easter Ross



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
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4 February 2021

Dear Chancellor,

We note with interest your letter of Feb 2nd, ref ZA41102, in response to a question about the lack of economic support being offered to 3million 'excluded' workers, and we take issue with your replies.

Firstly, you assert that 3million is 'not a number that [you] recognise'. And yet, on January 19th, you and the Financial Secretary to the Treasury were provided with detailed statistics and information on groups who have had no meaningful support from the Government during the pandemic.

That information was provided by the Gaps in Support APPG, in relation to its Targeted Income Grant Scheme. This was drafted by Rebecca Seeley Harris and designed to help the Government both understand the issue and provide support for the 3million taxpayers that you claim not to recognise.

The TIG Scheme shows that there are 2.93million people, across several groups, who have had little or no support from the Government, according to ONS and SEISS statistics (January 2021). These people have been denied support unfairly, despite being taxpayers, because of inadequate support scheme rules. The 3million figure is real and it is accurate, you need only refer to the TIG scheme for details.

Secondly, you write that 'you do not think that it is right to describe those people as excluded'. The word 'excluded' means 'to be denied access to a place, group or privilege', and that is *exactly* what has happened here.

It appears that neither the Government nor the trade associations to which you refer understand the technicalities of the field of self-employment and small business. The Covid pandemic has merely served to highlight the difficulties that people in these groups face, often under-supported, with no employment rights – and now excluded.

The latest figures show there are 1.4million people who have been excluded from the SEISS scheme because the majority of their income does not come from self-employment (the 50/50 group). According to a recent Institute of Fiscal Studies (IFS) study, more than half of the 50/50 group have a personal income below £25,000, and 45 per cent are women who have combined jobs to make a living.

With the greatest respect, what you and, it seems, trade associations have failed to understand is that some of the employment income is merely 'on-payroll'. These people are not employees, they have no employment rights but still pay tax as if they were employees. That means they cannot be furloughed, but neither can they claim SEISS – and they were in a low-income group to start with.

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These people desperately need support, and now. We urge you to accept that any further delay, even until Budget Day, would pile further misery upon this group.

If you will not listen to us, then please listen to the eminent economists who gave evidence to the Treasury Select Committee on Wednesday, 3 February 2021.

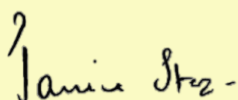
Asked by Steve Baker MP what their 'message to the Chancellor about the excluded' was, these experts were quite clear. Vicky Pryce, Board Member of the Centre for Economic and Business Research, said: 'I think the gaps need to be looked at. There is no justification why whole chunks of the UK population has lost out in this respect. It is, to a certain extent, putting off anyone who may want to be self-employed or an entrepreneur or do anything in that area in the future.'

Torsten Bell, Chief Executive of the Resolution Foundation, said: '... a lot of our policy has very rough edges, there are people who are included and get very generous support and people who are not included and get no support ... and those edges get harder to morally justify the longer the crisis has gone on...'

We appreciate that these are challenging times for the Treasury but that is no excuse for failing to take time to understand this issue, especially when you have been presented with the evidence. These taxpayers have been frozen out of their legitimate support, through no fault of their own and in their time of greatest need, when their Government should be supporting them.

The self-employed and small business sector make up 99.3 per cent of the business population. They are the life blood of the economy and should be the engine of our recovery. We ask you to acknowledge them, accept that their difficulties are real, and offer the support to which they are fully entitled.

Yours sincerely,



Jamie Stone
Chair of the Gaps in Support APPG

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