

My Question to the Chancellor on the Autumn Statement

John Redwood (Wokingham) (Con):

I welcome the measures to promote more investment and more growth, which is vital. We have lost about 800,000 self-employed people since February 2020. The national insurance measure will help a bit, but will my right hon. Friend look again at the way in which IR35 prevents them from expanding their businesses and getting contracts? The measures to promote the growth of small businesses are also welcome, but the VAT threshold acts as a strong disincentive to expand a business when it reaches a certain point.

Jeremy Hunt, Chancellor the Exchequer:

I thank my right hon. Friend. I had extensive discussions with him in the run-up to the statement, including many discussions about the self-employed. Indeed, it was partly his advocacy of the role of the self-employed that made me so enthusiastic about making the national insurance changes that I was able to make.

I hear what my right hon. Friend says about IR35. We took our decision partly because of concerns about avoidance, but I am happy to look at that again. As for the VAT threshold, many other colleagues have made the same point. We do have the highest threshold in any major European country, and, indeed, any G7 country, but there is always this issue of the cliff edge, and my right hon. Friend is right to draw my attention to it.