

No rise in National Insurance for the self employed

I am pleased the Chancellor has changed his mind on National Insurance. It is true the previous Chancellor defined the Manifesto promise as relating to NI for just the employed when he legislated to implement the promise, but there was no such limitation in the Manifesto or in the election speeches and broadcasts to warn the self employed they were not covered. It is always a good idea to keep the spirit and the letter of promises made.

I did speak in favour of not taxing the self employed and small business more, and put in representations from constituents against the Budget proposal. Removing this tax increase removes £325 m extra tax from 2018-19, and around £600 m in each of the next two years. I see no need to replace this "lost" revenue, as I expect the economy to grow a little faster than the official forecasts, which will generate more extra revenue than this policy change. Fortunately the sums involved are small against a total revenue of around £800 bn annually in the relevant years, so this item is under 0.1% of the total.