

## Self employment and IR35

I am all in favour of a different tax regime for people who work for themselves. Such a lifestyle means that an individual depends on winning and completing business to get paid. There is no holiday pay or big company benefits when the customers dry up. The tax authorities need to treat the self employed fairly and understand the nature of their cashflows.

There are a few very well paid people who claim to be self employed but who earn their income from a single source. Here the tax authorities may well be right to challenge them and say they are effectively employees of the source of their income. Why don't they pay National Insurance under the employer/employee scheme that applies to the rest of us with a single employer?

The wish to do this should not extend to a clampdown on many others who are genuinely self employed but may have won a decent contract which for a bit provides an important part of their income. I am pressing for reform of the IR35 rules to try to prevent it becoming a dampener on enterprise and an attack on the self employed. The PM has promised to review it. The Lib Dems have also promised a review in their Manifesto but are trying to make out they go further.

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## West Berkshire and Wokingham

Many outsiders do not appreciate that a significant portion of the Wokingham constituency is served by West Berkshire Council, whilst a substantial part of Wokingham Borough rests in constituencies other than Wokingham. Half the land area of the Wokingham constituency lies to the west of the A33, predominantly in West Berkshire. I regularly raise matters that affect both Council areas. Quite often the national issues are similar that have an impact on local policy and services.

This week I have been spending my time visiting and delivering leaflets and letters in the western part of the constituency including the villages in West Berkshire. I have visited Burghfield, Burghfield Common, Mortimer, Beenham, Englefield, Beech Hill, Padworth, Ufton Nervet, Wokefield, Grazeley, Grazeley Green, Sulhamstead, Goddard's Green, Aldermaston Wharf, Sulhamstead and the other small settlements in this rural area.

The issues raised with me were largely national, related to the current election campaigns. These are covered by my daily blogs.

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## There is no £50 billion bonus from cancelling Brexit

One of the more absurd claims in this election is there would be a big bonus to share if we stopped Brexit. This is based on various false economic forecasts that claim our growth rate will be impaired by Brexit, leading to the equally false idea that if we tore up the referendum result growth would suddenly accelerate.

The UK economy performed well in the year after the Brexit vote, despite all the official and independent forecasts of an early recession in that first year if we voted to leave. Since then the UK economy has slowed, but by less than many other economies, as a result of a world downturn in manufacturing aggravated by a fiscal and monetary squeeze at home. The current government is now going to lift this squeeze which should lead to improvement next year.

If by a £50 billion increase they mean a 2% increase in the growth of GDP, this does not suddenly become available as tax revenue. Indeed tax revenue would go up by a little under £20bn in such a circumstance. To get £50bn more tax for the state to spend there would need to be large £125bn increase in GDP, or well over 5%.

Just as the forecast of a big decline in GDP in the year or two after the vote was comprehensively wrong, so too is this forecast. As we are still in the EU with the same trading arrangements it is difficult to see how there would be anything like this fabled increase. For any company that did decide it wanted to invest more because the uncertainty had gone there would be another company disappointed that the opportunities of Brexit had been thrown away becoming more concerned about UK investment.

As the UK adopts a better growth policy – as this government wishes to do – so investment will rise anyway. Getting Brexit done would in itself be a welcome end to uncertainty.

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## Cutting taxes

My least favourite tax cut is a cut in Corporation tax. The best reason to cut Corporation Tax is to increase tax income by attracting more business to the UK to pay the tax. I prefer tax cuts that boost people's take home pay, and tax cuts that remove or reduce taxes on transactions to encourage more activity. That way more people can fulfil their dreams.

Some of you have written in to say the PM cancelled or postponed the Corporation Tax cut from 19% to 17% in order to comply with EU policy to avoid tax competition between member states. I do not believe this. We are leaving the EU and will be able to follow our own domestic policy wishes on tax once we do. There is no need for the PM to go along with guidance from the EU on Corporation Tax and I have never heard him say he thinks he needs to in his various well publicised statements on tax.

It is true the EU has considerable power over our tax policies, with detailed controls on VAT and substantial influence on Corporation Tax through various court cases and decisions. They do not have the power to set our rate, and have put up with the Republic of Ireland setting an aggressively low rate to bid business away from the UK to headquarter and pay tax in the Republic.

So the issue is why did the PM change his mind? He has been persuaded that Corporation Tax is now at a low enough level to maximise the take, and that any further cut in rate would lose revenue. The Treasury have clearly told him they think a 2% cut would cut revenue by £6bn, which is a large sum given current budget pressures to spend more on various public services.

So the issue to debate is are the Treasury right this time on their tax forecast? It may be that some in the Treasury have other views that underlie this forecast, but they are all rightly protected by the doctrines of civil service neutrality and anonymity. It is for Ministers to appraise and cross examine these forecasts to see if they are likely to be right. I would be interested in your views about whether corporation tax revenue would indeed fall were the rate to be cut a bit more?

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## [Experiencing local problems](#)

I was surprised by a voter yesterday complaining I did not experience the traffic jams he has sat in because "he did not see me around"! I explained I live in the Borough and sit in exactly the same jams as he does when I go to the shops or to the Conservative Wokingham office or to visit people with problems in the area.

I am walking or driving in the area most days, open to conversations and seeing for myself. I have been working with the Council on plans to improve junctions and the road system to cut congestion and make it easier for all of us to get around. Busting congestion so people can get to work or the shops or drop their children off more easily is one of my highest priorities for the area.

I have lived in the Borough for 34 years. My children attended local state schools. I would use the local NHS if I became ill. I have been in constant dialogue with local Councils about their provision of local services, have visited every new development and personally investigated local problems

raised with me. I am a great believer in seeing for myself when intervening on a local matter.

I have held regular surgeries where people want to meet to talk me through a problem. I respond daily seven days a week to many emails and letters which keep me informed of issues and worries. I also run this website with regular local updates.