

COVID-19: CIOT provides further comments to Treasury Committee inquiry into coronavirus support

General Features

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The CIOT has provided further written and oral evidence to the Treasury Committee's inquiry into the economic impact of coronavirus, more recently focusing on the gaps in government support.

In the spring of 2020, the CIOT provided written evidence to the Treasury Committee in relation to its inquiry into the economic impact of coronavirus (see tinyurl.com/y36map4u). The Committee published its report 'Economic impact of coronavirus: Gaps in support' in June, as well as the government's responses in July and September. The Committee invited further comments in relation to these gaps in support.

In our further written evidence, we commended HMT and HMRC for their rapid design and roll-out of the Self-Employment Income Support Scheme (SEISS) and the Coronavirus Job Retention Scheme (CJRS). However, we expressed concern that large sections of the population are still excluded from either of these schemes, even though (at the time of writing) it was around nine months since the original announcements, and the fact that schemes will remain operational until April 2021. It appeared to us that, following the implementation of these schemes in the spring, the focus during the summer and early autumn was on winding down support in the expectation that we would be returning to some form of normality. In fact, the second peak in the pandemic caused a rather hurried response (for example, the Job Support Scheme was dropped the day before it was due to come into effect). Having extended both SEISS and CJRS until April 2021, those excluded from these schemes will have lost out on a year's worth of support. We expressed surprise that more is not now being done to address these inequities; especially considering that when the eligibility criteria for SEISS were extended in the summer, this was only to include new parents and military reservists. We also expressed concern at the lack of clear guidance on eligibility, particularly in relation to the third SEISS grant where the tests remain extremely subjective.

With regard to the CJRS, whilst we are conscious of the huge cost of the scheme and we support publishing data about CJRS claims within an employee's Personal Tax Account, we do not support the widespread publication of employer data. We do not think that public opinion and fear of adverse publicity should be determining factors in whether a business should claim its legal entitlements. If affordability or other criteria are relevant factors, then these should be incorporated into the design of the scheme. Whilst we recognise the benefits of transparency, any changes from the 'norm' (which is taxpayer confidentiality) should form part of a wider transparency strategy, supported by primary legislation following proper debate, rather than being implemented on an ad hoc basis using Treasury Directions.

We also provided oral evidence to the inquiry on 20 January and this can be watched on www.parliamentlive.tv/Commons.