

Why does the government tolerate tax avoiders in its ra...

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Parliament's Public Affairs Committee (easily the most effective committee in the House of Commons right now) has a new report out this morning on [Off-payroll arrangements in the public sector](#). It looks at the 2,400 or so people on such arrangements in central government. It looks at the 25,000 or so on such arrangements at the BBC and it suggests that throughout the NHS and local government and other agencies there will be thousands more.

They do a great job in making clear that these arrangements - many, but not all - of which will be straightforward tax abuse are wholly unacceptable.

And they point out that when H M Revenue & Customs only has the resources to check 23 such cases in 2010-11 then there is absolutely no effective deterrent to such arrangements, which are of course even more common in the private sector - where they are just as abusive. The rules are the same for all - lest we forget.

No one is saying, unfortunately, that the answer to this is to radically transform the way all small business is taxed so that tax abuse is not part of the small business culture. That's the elephant people won't look at. [I have](#). It's time my suggestions were looked at seriously by the Treasury again - they were in 2008.

But let's also be clear what this means: it means that the culture of tax cheating that is destroying the enterprise culture of the UK's private sector is permeating the public sector. It's a cancer that is undermining trust, a level playing field and confidence that we are all in this together. Clearly we're not when these arrangements are largely reserved for the more highly paid.

There are, of course, some people who work for the BBC who are self employed - the lighting camera man who filmed me recently who supplied all his own equipment, for example. But there are many who are not, who do the same job day in and day out. Yes, they may have other earnings as well. So what? Those other earnings are freelance. Their work for the BBC is not.

This cancer has to be cut out.

But it will only happen if we do three things.

The first is we have to say paying tax is the right thing to do.

The second is to [give HMRC the resources to stop this abuse](#) - and right now the government is sacking the people who do it.

Third we have to ensure the small companies owned by freelancers pay - [and right now we don't do that either](#).

No wonder we have a massive tax gap in this country.

That's a choice by government - the wrong choice - and it is they who have to be blamed most of all.