



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

James Murray MP
House of Commons
London
SW1A 0AA

26 April 2021

Dear James

FINANCE BILL: CLAUSE 20

Thank you for your question at the Finance Bill Public Bill Committee on 22 April, in relation to Clause 20 and regarding the proportion of loan investments made through the Social Investment Tax Relief (SITR) since its introduction in 2014.

Between the tax years 2014-15 and 2018-19, £11.2 million total investments were raised through SITR. Of these, around £5.5 million, about 50 per cent, were in the form of loans made to qualifying social enterprises. Information about investments after 2018-19 will be available following future publications of HMRC's annual statistics.

As I set out to you in the Committee, the above figures are much lower than first estimated despite the attention and interest the scheme originally attracted. The Government recognises the important social and economic role that social enterprises and charities play in communities across the United Kingdom. Clause 20 enables more of these businesses to have access to the scheme and provides more time for the Government to assess the best way to support social enterprises.

I am copying this letter to the Chairs and other members of the Public Bill Committee, and am depositing a copy of this letter in the Library of the House.

A handwritten signature in black ink that reads 'Jesse'.

RT HON JESSE NORMAN MP