

APSCo welcomes IR35 repeal in Chancellor's Budget

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Responding to Chancellor Kwasi Kwarteng's Mini Budget, Tania Bowers, Global Public Policy Director for the Association of Professional Staffing Companies (APSCo) comments:

"The Chancellor's Mini Budget promised to be one that drives growth for the UK and it's clear that the Truss administration is powering ahead with an extraordinary range of changes to boost the economy. The planned repeal in April 2023 of the Off Payroll legislation is a welcome move. APSCo has long called for a review of the measures which have dramatically reduced the flexibility of the skilled independent labour market since they were introduced in 2017 and 2021.

"Many of the proposals in today's announcement will strengthen the appeal of highly skilled, professional flexible working in the UK which is long overdue. The planned changes to Income Tax from April 2023 – in particular the abolition of the top rate of income tax for the highest earners - and reversal on the planned increase in Dividend Tax alongside the IR35 repeal, will encourage more individuals back into the flexible labour market to drive growth at end-engagers.

"Having previously called for a reversal of the Health and Social Care levy – which APSCo correctly feared would only serve to drive recruitment, umbrella and PAYE agency worker costs up and exacerbate on-going skills shortages - we are pleased to see it has been scrapped. It's also promising to see an intention from the Government to make the UK a global powerhouse once again, with the removal of the banker bonus cap likely to strengthen the country's Financial Services sector.

"The plans for growth in specific investment zones is a move that we believe will have a significant impact on the country. However, while the measures announced today will help bolster growth, the lack of skills across the UK remains a cause for concern to achieve these ambitious aims. The changes to Universal Credit and unemployment benefits may drive more people into lower-paid jobs, but it is the high-skilled segment of the workforce that is lacking the resources needed.

"Plans to encourage over 50's back into work will help build skills across the UK, as will the plans to bolster the flexible workforce. However longer-term plans are needed that support broader skills development. There also needs to be complete co-ordination between education institutes, employers, industry bodies and relevant Government bodies to drive a long-term impact.

"We look forward to hearing more on the planned immigration review mentioned by the Chancellor, as well as measures to be introduced to support more over 50's back into work."

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