

Budget 2015: Government must simplify legislation to enable flexible working

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The Government must look to simplify tax and employment legislation in order to maximise flexible working and the value of contractors, according to giant group.

The specialist services provider's analysis found that the Government must review existing tax and employment legislation so that contractors can operate within clearly defined rules without fear of falling foul of HMRC. Currently, it is the norm for contractors to only be 'engaged' in one of four ways; PAYE with an agency, employed by an umbrella company, have their own limited company, or be self-employed. However, giant group believes that in the future workers will be engaged in a number of ways simultaneously, and current legislation makes it difficult to do so.

Matthew Brown, managing director of giant group, commented, "With the upcoming budget announcement on 8th July, we'd like to see the barriers around employment legislation be simplified in order to make the most of the skills of contractors and the entire shared economy. Flexible labour is, quite simply, the future and we need to see more recognition of this fact. Growing numbers of people are choosing to operate as skilled contractors and in a few years' time, companies will likely have a much smaller proportion of permanent staff and a much greater proportion of contingent specialists who can provide strategic skills as and when required."

"We only have to look across the Atlantic to see a good example of this model. The US is currently leading the way when it comes to utilising contractors and the shared economy, but the UK needs to follow closely behind. Acquiring flexible skills will help companies to be ever more competitive by utilising strategic expertise whilst keeping overheads low. This in turn will help the economy to be more dynamic, grow and outperform its rivals. However, this will be limited with the current tax and employment regulations in place and we need to see this simplified, at the very least, to make the most of this area of the workforce."

Note to editors

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- award-winning giant umbrella is the professional umbrella employer of choice for temporary workers, freelancers and contractors. Independently voted Best Umbrella employer five times by readers of Contractor UK.
- giant precision is a suite of global back-office solutions designed to enhance your company's performance. Through web-based services, giant precision spans HR contract management, timesheet management, payroll, billing and payroll disaster recovery.

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Please contact Bruce Callander for any press enquiries:

bruce@bluesky-pr.com

01582 790090