

APSCo responds to Chancellor statement on support for businesses and IR35 delay

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Responding to the announcement that the off-payroll implementation will be delayed for 12 months, Sam Hurley, Operations Director at APSCo, and co-chair of HMRC's IR35 Forum said:

"After five years of lobbying Government for a proper review of IR35, we are obviously pleased and relieved on behalf of our members that the Government has taken this action to remove extra burdens from the recruitment sector albeit disappointed that it has taken a crisis of this magnitude for the Government to act.

"Although many of our members have spent an enormous amount of time and resource getting ready for this change, we believe that this delay will be widely welcomed by all our members and the sector as a whole. Now is not the time to make flexible labour more expensive or the hiring of contingent labour more difficult, when our sector is facing unprecedented times. This delay may also have the added benefit of kick starting the hiring of remote workers who operate through a PSC from end clients who have so far, as a response to off-payroll legislation, put a blanket ban on contractors working through this model."

Commenting on the other measures announced yesterday by Rishi Sunak, Tania Bowers, Legal Counsel at APSCo said:

"We are obviously pleased to see that the Chancellor has moved so quickly with a £330 bn stimulus package including expansion of the business interruption scheme introduced in the budget, cash grants to smaller businesses and a commitment to consult with both business and trade unions to determine what else may be needed. APSCo is already consulting with policy advisors at the Department of Business, Energy and Industrial Strategy (BEIS) to ensure that they have the information and data they need about the impact of this crisis on the professional recruitment sector to help them make decisions quickly."

"As ever with these measures the devil will be in the detail. We have seen a massive increase in enquiries to our legal helpdesk from our members - in the space of a week we have had numerous enquiries about SSP and contractor rights on top of the usual high number of queries around the implementation of IR35. While some of our larger members may well have the financial resilience to ride the storm, we have to remember that the majority of recruitment firms in the UK are SMEs. This is a sector that will be hit extremely hard given that hiring intentions in many industries are likely to be put on hold or reduced for the foreseeable future."

"What we also need from Government is further clarity. We need clarification on how it will define SMEs in terms of the proposed SSP refund in the emergency legislation. If it is the Companies Act definition, then agency workers will not count in the assessment of 250 employees. However, if it is the Equality Act definition then agency workers will count, meaning that small recruitment businesses with large numbers of agency workers won't be entitled to SSP refund which could potentially put them out of business."

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