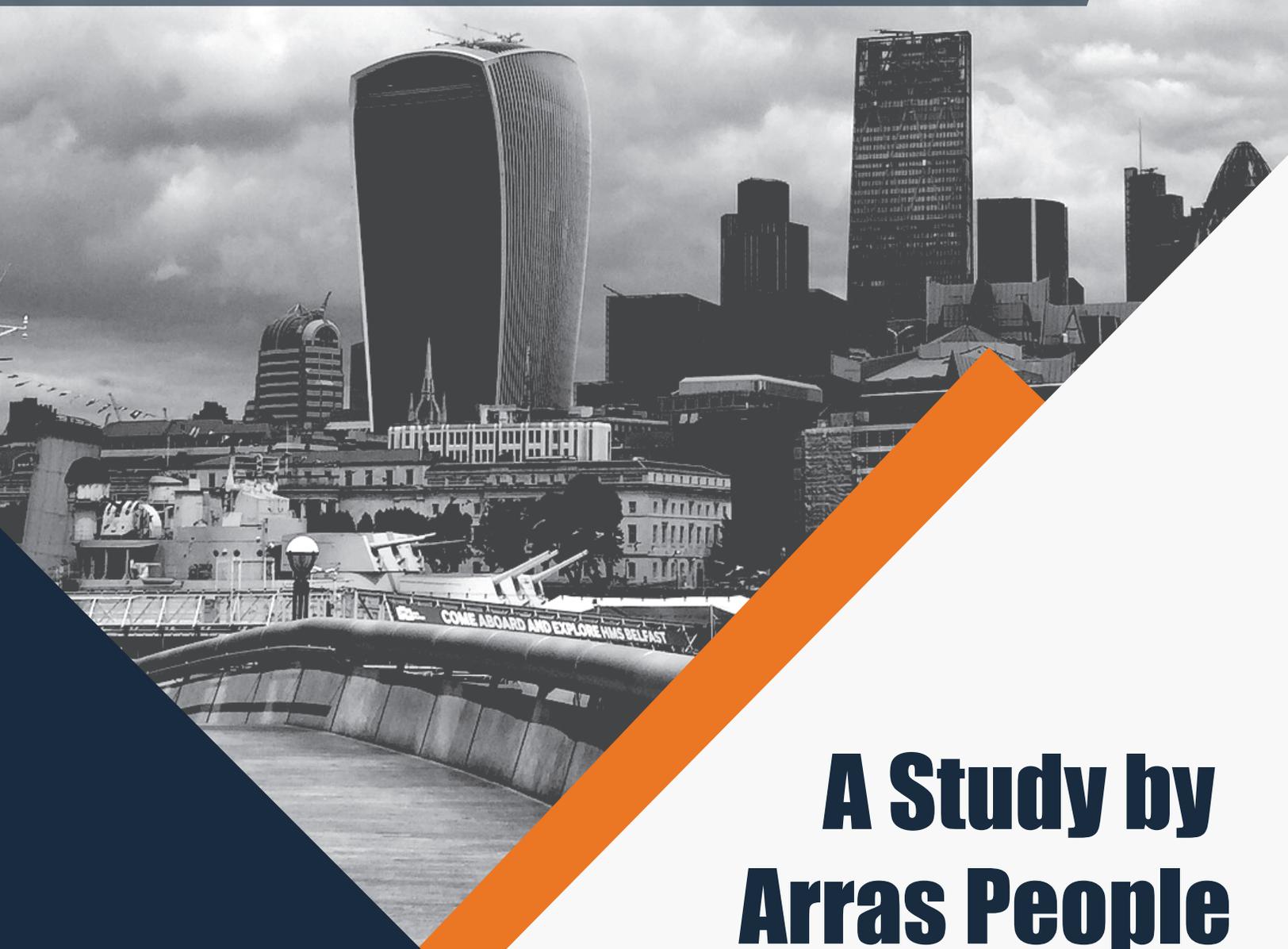


**arras** PEOPLE

# IR35 and its Impact in the Project Management Domain



**A Study by  
Arras People  
November 2017**

# Introduction

In April 2017 the rules around Off-Payroll Workers (IR35) were updated for workers engaged in the Public Sector. The most significant change moved the point of determination (and liability) for IR35 status from the contractor delivering the services, to the engaging client.

Any decision of In-Scope places an obligation on the party paying the worker (Engaging client, Agency, Umbrella), to ensure that PAYE, National Insurance and Employers National Insurance are collected at source and paid to HMRC through their payroll systems. These workers took on a new status “deemed employee” being taxed as if an employee, without gaining any employment rights.

The changes were opposed by many groups who have an interest in the supply chain which provides contingent labour and organisations which support the activities undertaken by professional contractors. Many suggested that the introduction would be catastrophic and lead to a seizure in activity across Public Sector bodies as contractors either left for the Private sector, retired or moved abroad.

Seven months on, the claims and counter claims continue about the success or otherwise following the implementation. With the HMRC and Treasury claiming a great success, worries are now increasing that the playing field is about to be levelled and the changes will be pushed into the Private sector.

With this in mind, we decided to ask our community of Project Management practitioners how they have been impacted by the changes and their concerns for the future. This report contains their responses.



# Background

## Origins of IR35

The IR35 legislation, also known as the 'intermediaries legislation' was introduced with effect from 6 April 2000 by the then Chancellor Gordon Brown. It was targeted to counter the avoidance of employed levels of tax and National Insurance by individuals providing their services through a Limited Company or PSC (Personal Services Company) as they became known.

In layman's terms the Government of the day were trying to reduce the impact of 'disguised employment' and its impact on the revenues flowing through to the treasury as workers were removed from the grips of PAYE.

## Unintended Consequences

The key point was that the onus for adherence was placed on the PSC and as such unintended consequences occurred which some would argue increased the perceived issue.

With the PSC being responsible, many organisations and recruiters took steps to ensure that they removed any liability to HMRC by insisting that all contingent workers were supplied through a PSC, in a business to business relationship.

This removed many sole traders from the supply chain as they were seen as a potential tax liability should HMRC deem that they were in fact disguised employees.

At the same time, many workers who were using Umbrella companies were shown that operating through a PSC could be to their benefit in terms of reducing their tax liabilities; accounting solutions flourished and the move to PSC status was made as smooth and painless to these workers.

A whole industry was created to support and protect the interests of those who operated through a PSC. So rather than reduce the number of PSC's and increase tax take, it appeared that the legislation made the problem bigger and at the same time offered protection from HMRC for those creating the jobs.

## Why change IR35?

Fundamentally it is about tax take, or from the HMRC's point of view, a diminishing tax take, as fewer people in the UK are engaged in the traditional manner as real employees. The Treasury likes employees as they have three taxes taken at source (Employers National Insurance, Employees National Insurance and Income Tax or PAYE) on a regular basis. Not only that, but the employers manage this process free of charge on behalf of the Government and provide a regular, monthly cash flow.

HMRC indicated that they could see 20,000 public sector contractors who were "not paying the right tax" under the existing IR35 legislation, through non-compliant interpretation of the rules, with many in fact being disguised full-time employees rather than bona fide contractors. However, with a constraint on the number of compliance cases that they could raise and manage (I was told a maximum of 250/year) something radical was required to create a step change.

## Liability Shift

So, the starting point for HMRC, without acknowledging the reasons above, was to try to move this liability for proven cases of unpaid taxes. The blame for the situation was placed firmly on those operating non-compliant PSC's and it was positioned as "levelling the field of work" to remove the opportunity where "a worker can pay less tax than a colleague they work side by side with, simply because they work through a limited company". They explained that nurses, social workers, teachers and many others were operating in business-as-usual roles as PSC's which should be seen as disguised employment.

# April 2017 Public Sector Changes

## April 2017 Legislation

The new legislation impacts any “public authority” where a public authority as defined by the Freedom of Information Act 2000 or; a Scottish public authority as defined by the Freedom of Information (Scotland) Act 2002 (asp 13) or; Corporate Officer of the House of Commons or the House of Lords or; the National Assembly for Wales Commission or; the Northern Ireland Assembly Commission.

## IN or OUT

The hiring organisation (Client) has the responsibility and liability to determine the status of each position which it is looking to fill with a non-employee worker. This decision must be made on or before the time of entry into a contract for supply. In taking this decision, it must take reasonable care in coming to its conclusion.

HMRC developed and made available a web-based tool called the ESS (Employment Status Service), latterly renamed CEST (Check Employment Status for Tax) to help in this process. Whilst this is not mandated in the legislation, HMRC have said that they will stand by any decision generated by the CEST tool providing it has been completed fairly and honestly.

## Making Deductions

Any worker who provides their services to fulfil a contract that has been declared to be In-Scope, is required to have deductions made at source. The liability to make deductions rests with the organisation that makes the payment to the worker, and it has to report this through the PAYE Real Time Information (RTI) System. This being true whether the payer is an Agency, Umbrella or Direct.

## Not an Employee

Whilst the deductions have to be made through the RTI system, which was introduced for the management of employees, in the cases of Direct engagement or Agency these workers are “deemed employees” under tax law. As such they do not get any employment rights or benefits as they are still regarded as self-employed under employment legislation.

When engaged by an Umbrella company, which makes the deductions for Employers NI, PAYE and employee NIC's workers are an employee under a contract of employment.

## No PSC's Allowed

Because the hiring organisation has full control over the way they apply the legislation some may issue rules that specify that they are only willing to accept workers who are supplied through an Umbrella company or as PAYE (Employee) of the agency to mitigate any liability. As such no PSC contractors will be considered for these assignments.

## No Change

For any worker who provides their services for an OUT of Scope assignment there is no change in the mechanics of the transaction. The decision recognises that they are an independent contractor supplying services and if operating through a PSC it is a business to business transaction.

## Status Review

It will become necessary for hiring organisations to undertake a review of the status (IN/OUT) of any assignment should there be a material change to the method of supply or the duties that are undertaken.

A review should also be undertaken at any point where an extension is proposed to ensure that the decision still holds true against the current working practices.

# Our Survey

The respondents were invited to take part in a survey hosted by Arras People during the early part of November 2017. A total of 609 people submitted their responses to a series of questions which were aimed at:

- Those responsible for hiring project management practitioners
- Public sector project management practitioners
- Private sector project management practitioners

As anticipated, the largest respondent group were freelancers (contractors) at 58% as they have the most interest in this subject, followed by those who are currently not working (27%). Employees accounted for 11% and those responsible for hiring 4%.

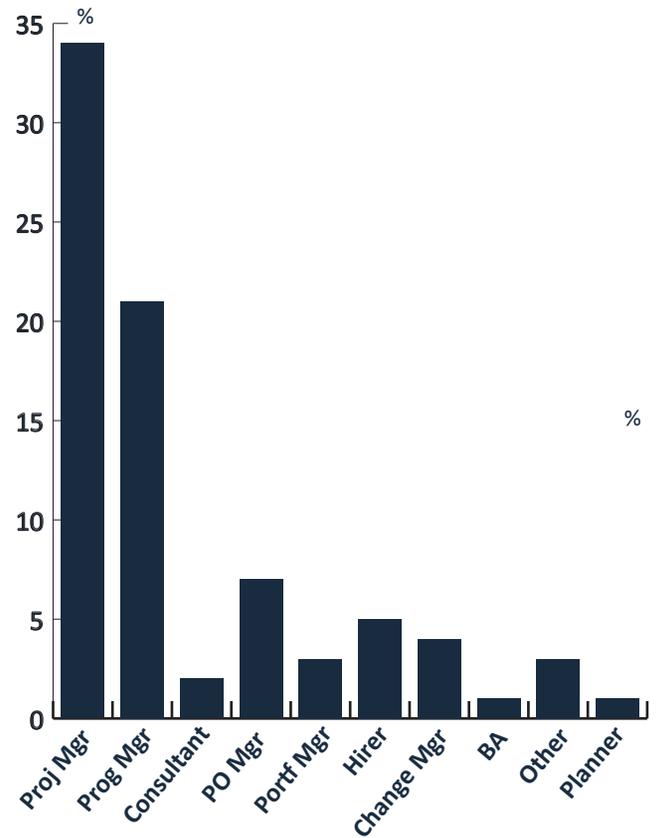


**77% male**

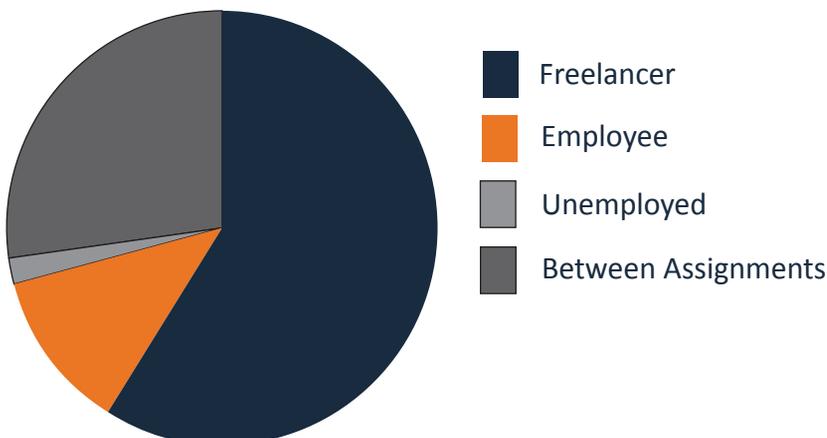
## Location



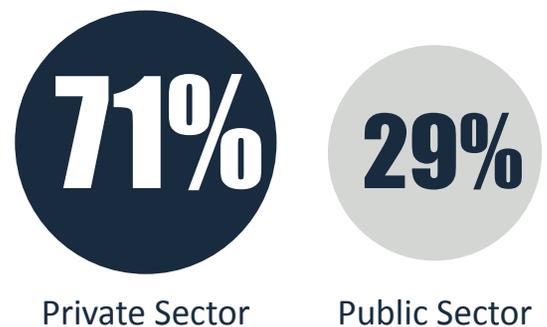
## Role



## Work Status



## Sector



# Public Sector Hirers

We asked those respondents who identified themselves as being Involved in hiring Programme / Project Management practitioners in the Public sector about the changes to IR35 which were implemented in April 2017 to get a flavour of what has been happening.

Not unexpectedly the additional administrative burden at 63% was highlighted as the biggest impact of the legislative change. Organisations have been forced to implement new processes when looking to take on contingent workers to mitigate the risk that was transferred back to them.

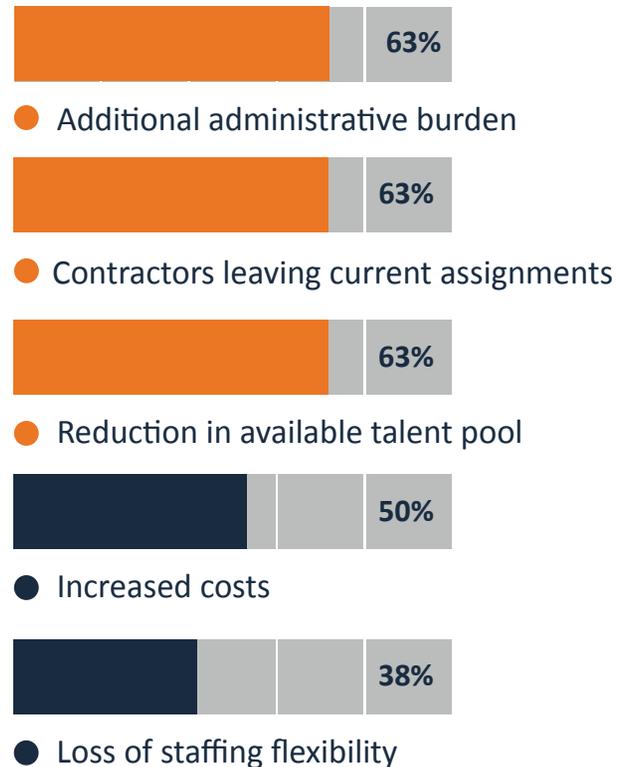
Increased costs at 50% are worthy of further investigation to see if these are direct labour costs, increases in employment costs as contractors converted to payroll or associated to the additional administration. Looking at the feedback from our freelancers it would not appear that many have had an increase in their rates!

The loss of contractors at 63% was always anticipated with the Private sector running under a different IR35 regime and providing an escape route for mobile contractors. This may also account for the reduction in the available talent to fill open roles.

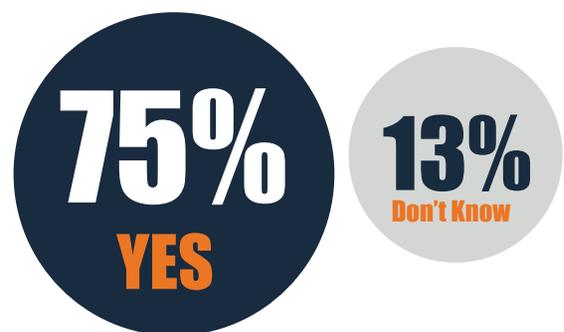
At 26%, those expressing extremely/very challenging with regards to the introduction was lower than anticipated, with many commentators suggesting that has been the case.

Interestingly when we asked similar questions for the 2017 Arras People Project Management Benchmark Report, 67% thought that increased cost would be the biggest issue and just 22% anticipated that the increased administrative burden would be an issue. In terms of contractors leaving assignment we again saw just 22% anticipating this to be an issue.

## What impacts have you seen since the legislation was introduced in April 2017?



## Have you been using the HMRC Check Employment Status for Tax (CEST) tool to determine status of assignments?



## How would you sum up the introduction of Off-Payroll Worker legislation into your organisation?

**50% moderately challenging**  
**26% very or extremely**

# Private Sector Hirers

We asked those respondents who identified themselves as being Involved in hiring Programme / Project Management practitioners in the Private sector about their usage and concerns that changes to IR35 may be introduced.

Amongst the respondents 75% identified that their organisations use contingent project management workers.

In terms of how these workers are engaged, 33% indicated through direct contracts with the remainder using a mix of direct and agencies.

When asked why Off-Payroll project management workers are engaged, flexibility came out on top with all respondents selecting this as a reason. Access to key skills that are not present within the organisation came in second with 89%. The flexibility and skills reasons far outweighed the hire and fire / cost reasons for using contingent labour.

When asked if they are concerned by the rumours that the Government plans to extend the Off-Payroll Worker legislation across all sectors hiring contingent workers 55% said they are with 44% saying they are extremely concerned. Interestingly 22% expressed no concern and 22% were not aware of this!

In terms of the perceived impact of such a change the increased administrative burden came out on top along with the loss of staffing flexibility, with all respondents indicating a concern in this area. Increased costs came next with 80% indicating a concern in this area.

60% are concerned that contractors will leave their current assignments which presumably indicates that there is a concern that many assignments will be classified as In-scope?

## What impacts are you anticipating should the Off-Payroll Worker Legislation be introduced in April 2018?

- 1 Additional administrative burden
- 2 Loss of staffing flexibility
- 3 Increased costs

4. Contractors leaving current assignments
5. Reduction in available talent pool

## Why do you engage Off-Payroll Workers?



## Are you concerned by the rumours that the Government plans to extend the Off-Payroll Worker legislation across all sectors hiring workers in the UK?

**44%** extremely concerned  
**22%** not aware

“ Contractor rates are likely to increase to counter the impact, putting further pressure on my department's financial management

# Not Working

In total 27% of respondents indicated that they are programme / project management practitioners who are currently not economically active. Within this 8% indicated that they are currently unemployed and 92% are between assignments.

Of this cohort Project Managers made up the largest group with 31%, Consultants accounted for 28% and Programme Managers a further 23%.

In terms of location 45% are London & South East based, with 14% in the Midlands and 13% in the North West. By gender the cohort splits 79% Male, 19% female and 2% preferred not to disclose.

In terms of primary sector 71% indicated Private sector with 29% Public.

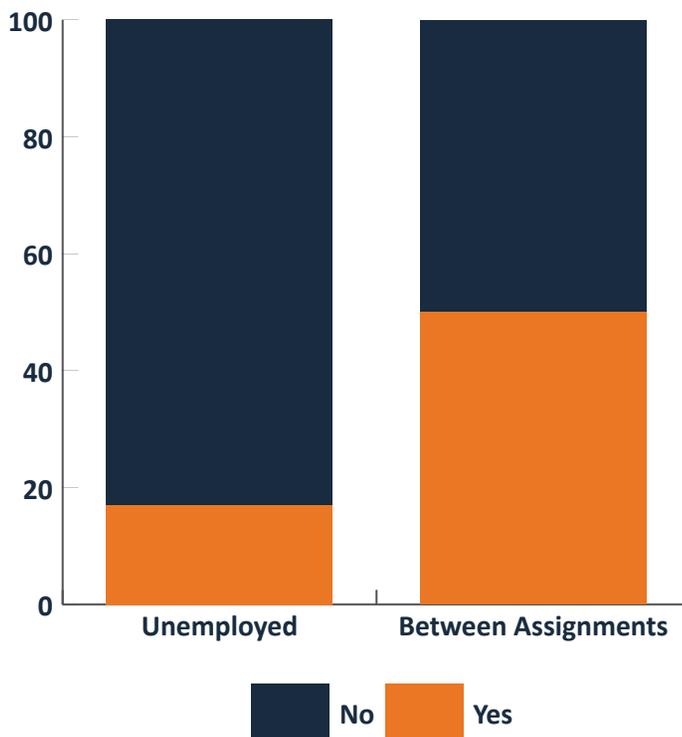
**“ I won't work inside IR35 which has significantly reduced the number of opportunities available”**

When reviewing the comments left by the respondents about why they felt the introduction of the Off-Payroll Worker Legislation had impacted their current situation, the reasons could be grouped as follows:

- **Legislative Impact** – a general groundswell that the Government is trying to shut down PSC's and kill the flexible workforce. Changes to IR35, Expenses and Dividend legislation in quick succession are all reducing real incomes and limiting the viability of new opportunities.
- **Lower Day Rates** – for In-Scope roles, day rates have been reduced in the Public sector to account for the Employers NI element which is now collected from the payee.
- **More competition** – as In-Scope Public sector roles become less attractive, project management contractors are flooding the roles available in the Private sector. This is increasing competition, and some say reducing rates as it is seen as a “buyers’ market”.
- **Fewer opportunities** – since the introduction there are fewer roles being advertised in the Public sector. Some concern is being expressed that these are being filled by more expensive consultancy organisations.

**“ Fewer contract roles replaced by consultancy”**

**Do you attribute your current situation to the introduction of the Off-Payroll Workers Legislation?**



**“ IR35 doesn't take into account a contractor's additional costs (i.e. insurances, accountancy fees, corporate return costs etc., zero holiday and sickness pay) and the insecure nature of the role such as exposure to being laid off without notice and being out of work until the next contract is secured”**

**“ More and more public sector contractors are leaving the sector and flooding the private sector market hence fewer opportunities to secure a role”**

# Contractors

As previously stated contractors/ freelancers made up the largest cohort of respondents accounting for 58% of the responses. Within this 71% identified as being currently engaged within the Private sector with the remaining 29% operating in the Public sector.

Within the group the 34% identified themselves as Project Managers, 25% as Programme Managers and 19% Consultants.

By gender, the split was 79% Male, 19% Female and 2% did not disclose.

## Current mode of operation:

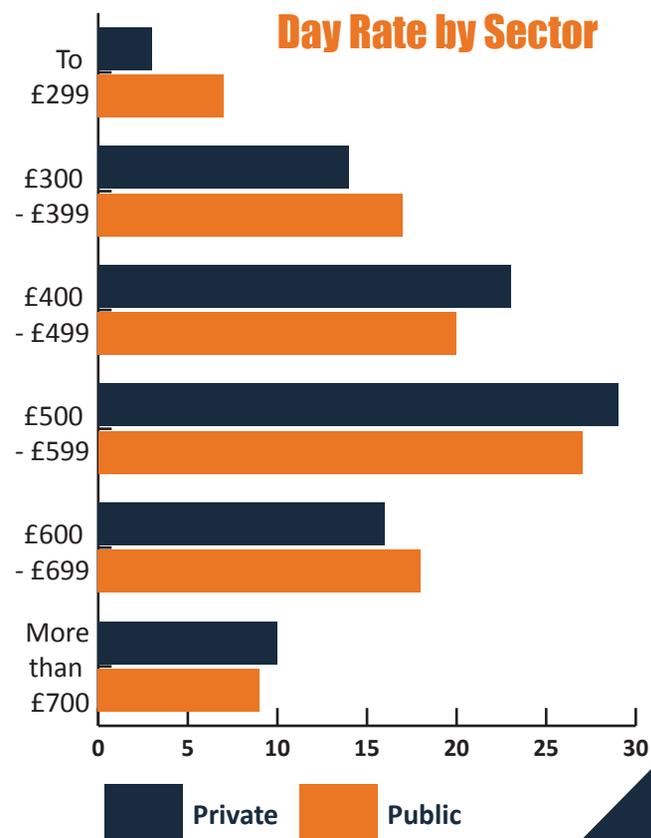
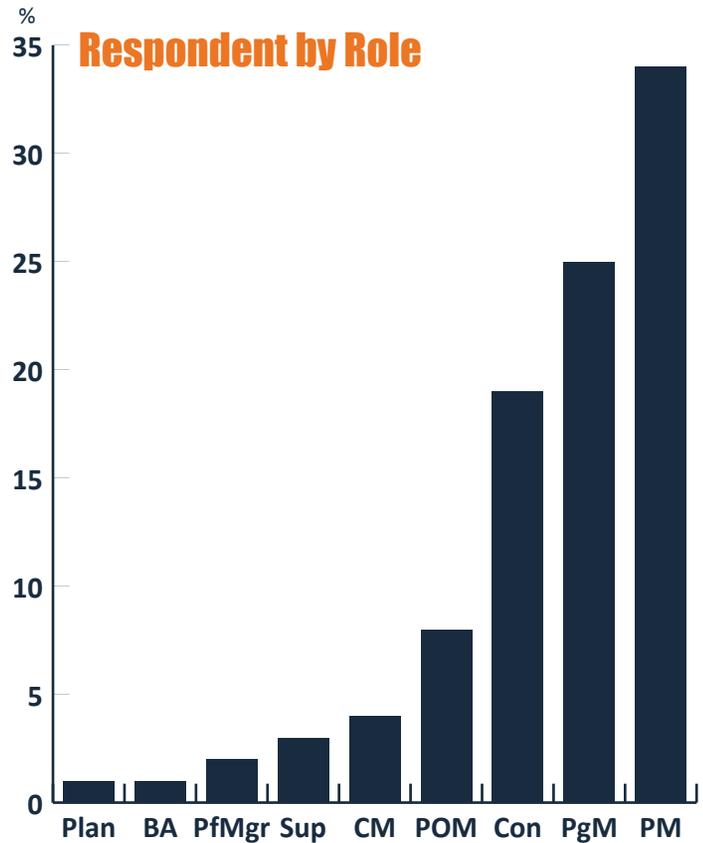
	All	Private	Public
Limited Company (PSC)	87%	97%	63%
Umbrella Company	12%	1%	36%
Sole Trader	1%	1%	1%

As can be seen in the table above the operating mode of the contractors differs substantially across Public/Private sectors where the Umbrella companies account for 36% of those working in the Public sector.

This is a significant increase in Umbrella usage compared to recent PMBR's where the number has been steadily decreasing over recent years to 5% in the 2017 report.

	All	Private	Public
One	79%	80%	76%
Two	16%	15%	18%
Three	3%	3%	3%
Four or More	2%	2%	2%

As we can see in the table above, the group have a high dependency on one client across both sectors and the data-set aligns with the findings in previous PMBR's.



# Public Sector Contractors

29% of our respondents who identified as Freelancers/-Contractors are currently engaged in the Public sector. Within the group 34% identified themselves as Project Managers, 25% as Programme Managers and 19% Consultants.

By gender, the split was 76% Male, 21% Female and 3% did not disclose.

## Status of your current assignment?

Of the cohort 48% reported that they are currently on an assignment that has been classified as In-Scope, with 51% Out.

As can be seen in the figure to the right the distribution of In/Out is not based purely on rate, though a higher percentage of higher rates are Out, compared to those that are In.

## How was decision shared?

We asked respondents who have an assignment that is classified as In-Scope when the decision had been shared with them. 47% said it was shared at the point the role was advertised; 5% said it was shared after a CEST review and 47% said it was a blanket decision.

The application of blanket decisions, such as those seen in the MoD are the most worrying. These decisions lack any respect for the worker or the work being undertaken and show an arrogance that could be avoided. Organisations may feel they have a healthy number of tied workers who just have to suck up the decision, though over time they may well suffer the consequences.

At the other end of the spectrum, 47% of respondents have accepted In-Scope roles from the point of them being advertised. This ultimately shows some workers will take roles under the new regime.

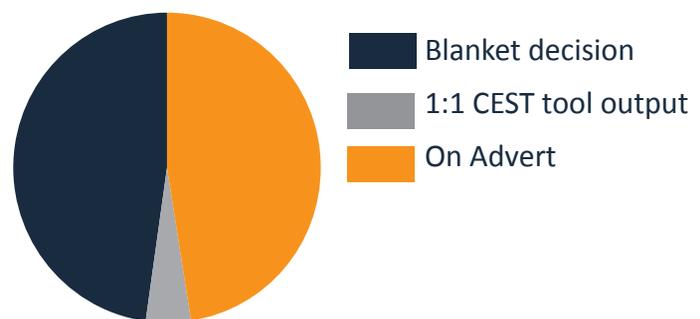
## Changed to Umbrella?

We asked the In-Scope workers who are operating through an Umbrella company if they had changed mode since being engaged. A staggering 83% had changed from their own PSC, whilst 17% said they was no change.

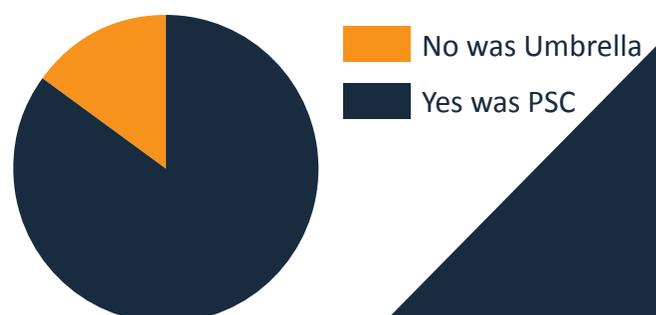
## Day Rate - In/Out of Scope



## How was In-Scope Decision Shared?



## In-Scope - Changed Operating Method?



Of those currently working on assignments that are Out of scope through their PSC, 63% said they would not be willing to accept a future assignment that was classified as In-Scope; 23% were unsure at this time and 14% said yes, they would.

This suggests that the Public sector are going have further challenges moving forward unless they are willing to consider project management roles in the round to fairly determine the status as either In or Out.

### Financial Impacts

We asked the PSC contractors who have been classified as In-Scope if they have been able to negotiate a rate increase to cover the additional costs associated with the Off-Payroll Worker legislation? A resounding 100% responded that they have not been able to do so.

Looking at the financial impact of being classified as In-Scope we asked those who are still operating as a PSC with deemed employment status and those that have moved to an Umbrella company what impact the changes have had on their income (excluding VAT).

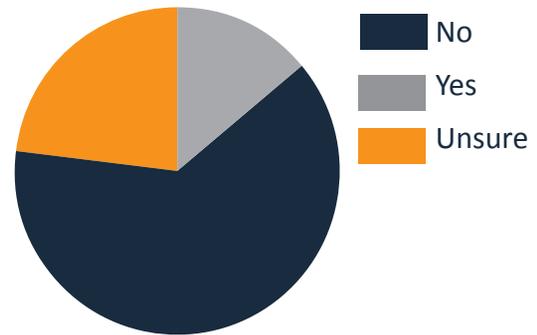
As we can see in the figure there are varying degrees of impact on these workers incomes, none of which are insubstantial. The full picture for many will not become clear until they submit self-assessment and corporation tax calculations for the full financial year at some point in 2018/19 and balance out payments which have already been made on account.

Workers who were already working through an Umbrella company should have seen no change to their income as they would already have been working under some form of PAYE Scheme.

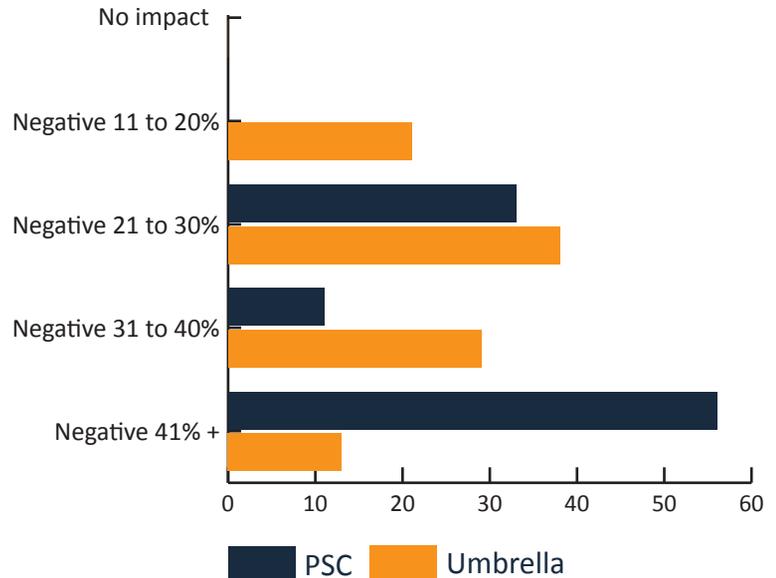
### In CEST we trust?

Our final question to contractors who are currently working on assignments that are Out of scope was to see if they feel confident that the Check Employment Status for Tax (CEST) tool decision protects them. The response was surprising as it would appear to suggest that there is a low level of confidence (12%) and a high degree of confusion or suspicion about where IR35 liability now sits?

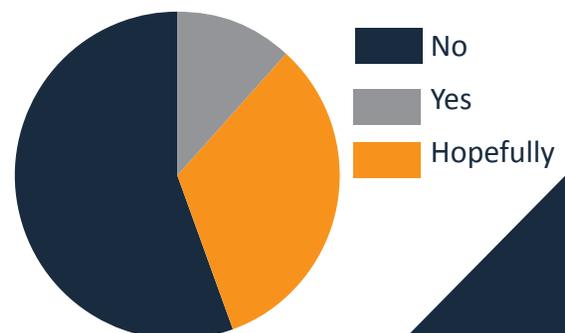
## Would you take a future role if it was In-Scope?



## Income Impact



## Confident CEST Will Protect You?



# Private Sector Contractors

71% of our respondents who identified as Freelancers/-Contractors are currently engaged in the Public sector. Within the group the 32% identified themselves as Project Managers, 22% as Programme Managers and 21% Consultants.

By gender, the split was 80% Male, 18% Female and 2% did not disclose.

## Migrated to Private Sector?

We asked the respondents if they have moved into the Private sector since the legislative changes were introduced in April 2017; 20% said that they have.

Of these, 59% said that they have moved to avoid the impacts of the legislative changes;

## Anticipating an Impact

We asked the contractors who have not moved if they are aware of the changes that have been made regarding Off-Payroll workers in the Public sector; 81% said they are.

When asked if they anticipate that the Off-Payroll Worker legislation will impact them, should it be extended to the Private sector 59% said they think it will. 14% believe it will not impact them and 27% are currently unsure.

## Reaction to In-Scope

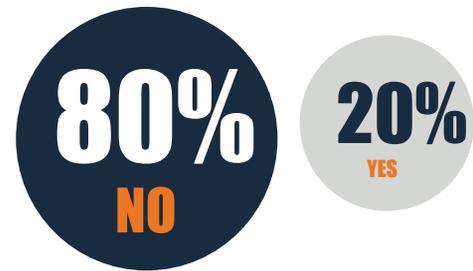
When asked what their reaction would be should their assignment be classed as In-Scope under any legislation change a range of responses were given which can be seen in the figure opposite. With no escape to an unaffected sector, it looks like there will be a high level of demand for any out of scope roles and a demand for additional payment to counter the anticipated losses.

## Levels of Concern

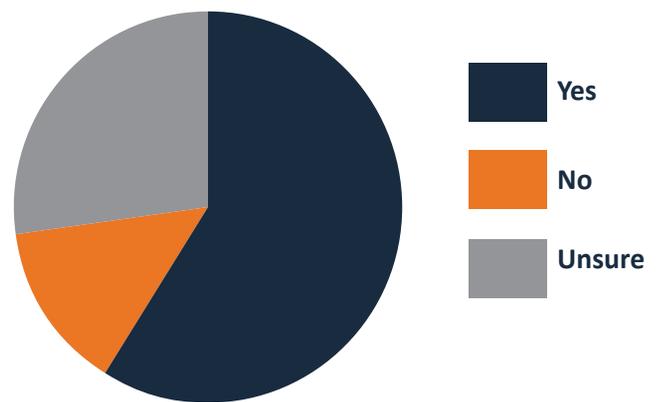
How concerned are you that the Off-Payroll worker legislation may be extended across all organisations in the UK?

**55% extremely concerned**  
**23% very concerned**

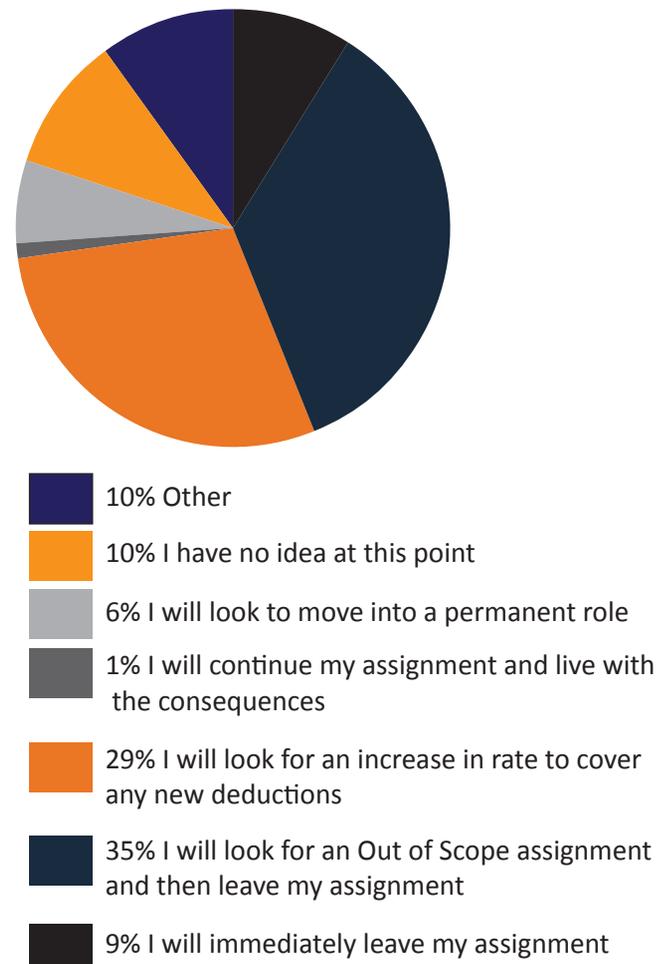
## Moved to Private Sector Since April '17?



## Anticipate Being Impacted



## Plans if Role is in Scope



# Analysis of Comments

A selection of comments from respondents who are currently Freelance/Contractors in both the Public and Private sector can be seen in the selection of snippets below;

## Private Sector

“It is a cowardly attempt to go after the little guys instead of forcing large multi-nationals to pay a proper amount of tax.”

“Still have the overheads .... We are now on a par with Employees on projected earning without the benefits”

“If it is implemented across all organisations the contracting world will collapse and the UK economy will suffer as a result”

“There would appear to be little or no benefit to continue as a contractor”

“Fails to recognise that freelancers have no security of tenure and absorb all contractual risk and provide flexibility and risk management for their customers”

“In general I believe that the intentions are good. there are many freelancers out there who are literally taking the Michael. they are absolutely in disguised employment and need to be dealt with. however, this 'sledge hammer to crack a nut' has caught many legitimate freelancers in the cross fire, tarring all of us with the same brush.”

## Public Sector

“Now receiving the pay of one without the perks of holiday, pension, sick pay, training etc”

“Closed my company ... I am actively seeking permanent employment”

“It's forced me to ask for more money or leave”

“The tool itself isn't fit for purpose and many government / public sector bodies have become scared of taking on 'out of scope' contractors”

“The GOV will be in a world of pain once they realise they are left with the detritus of 'in scope' project and programme managers. The desperate ones in other words.”

“The MOD's "blanket" policy is unlawful”

“Legislation makes no adequate provision for providing sickness cover, insurance, managing loss of income due to time off for holidays, etc. . I am going to retire rather than continue inside IR35 legislation”

“If the legislation is introduced into the private sector I fear it will be the end of contracting”

“The only people that are gaining are the umbrella companies”

# Employees

A total of 11% of our respondents identified as Employees. Within the group the 51% identified themselves as Project Managers, 18% as Programme Manager. 51% of the group reside in London and the South East.

By gender, the split was 63% Male, 35% Female and 2% did not disclose.

## Migration to Employee

Of our respondents 42% confirmed that they had been operating as contractors prior to the introduction of the Off-Payroll Worker Legislation in April 2017.

The previous mode of operation being dominated by those that were operating through a PSC.

In terms of the reason for making the move the majority at 75% indicated that contracting was no longer a viable option following the legislative changes. When looked at by sector this reason was even more stark with 83% of those operating in the Public sector giving this as the reason compared to 38% of those in the Private sector. The remaining 17% in the Public sector indicated that they were made a very good offer to become a full-time employee.

## Private Sector Awareness

41% of the respondents who had not moved to employee status indicated that they are aware of the changes that have been implemented in the Public sector.

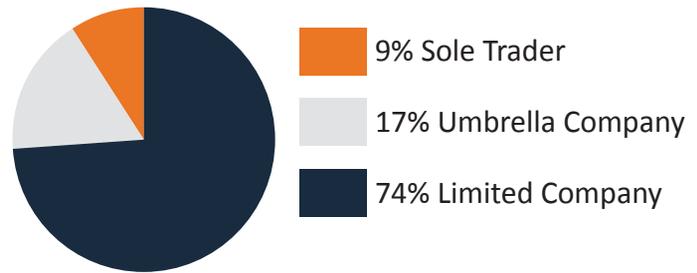
84% indicated that their organisations currently use Freelancers / Contractors as well as permanent employees to deliver projects. Of these, 60% believe that a reduction in contractor availability would have a material impact on their organisations ability to deliver projects.

## Public Sector Impact

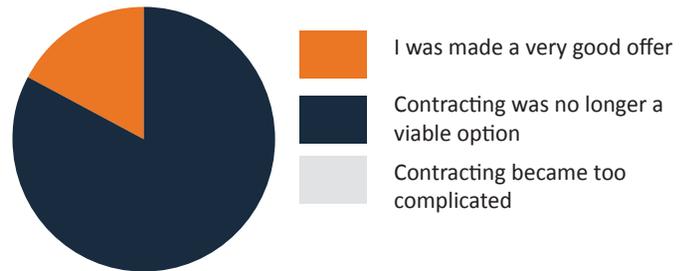
50% of respondent said they have seen a reduction in the number of contractors in your organisation since the introduction of the Off-Payroll Worker Legislation in April 2017.

88% believe that this has had a negative impact on the organisations ability to deliver projects. When asked if this change has impacted morale, 20% said negatively, whilst 73% indicated that it had had neither a negative nor positive impact.

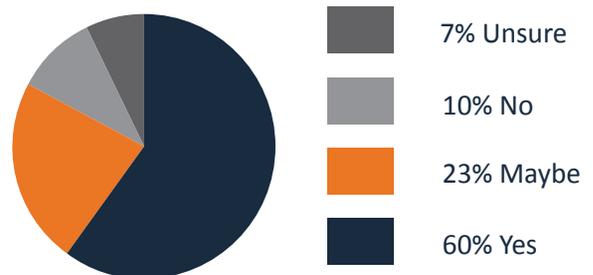
## Contractor Mode Prior to April '17



## Public Sector - Reason for Change



## Anticipated Impact on Private Sector



## Impact on Morale

Extremely Negative	7%
Somewhat Negative	13%
Neither positive nor negative	73%
Somewhat positive	7%
Extremely positive	0%

# Employees

## Contracting as a Career Choice:

We asked our employee respondents if they had changed their view about contracting as a career choice following the introduction of the Off-Payroll Worker Legislation.

Overall, 10% said that the changes have not changed their view at all and contracting still looks an attractive option. By sector this deviated slightly to 11% in the Private sector and 7% of those employed in the Public Sector.

The overwhelming majority at 59% indicated that their views had changed somewhat and that contracting no longer looks as attractive as it did. By sector this again deviated to 56% in the Private sector and 67% of those employed in the Public Sector.

It will be interesting to see the long-term impacts on the supply of project management practitioners who are willing to provide their services as a Freelancer / Contractor in the future.

## Analysis of Comments

"I do think that in time those short-term contractors who saw contracting as simply a way to make money will go back to permanent employment and hopefully the market for professional consultants like myself will readjust in our favour."

– Ex PSC, currently employee

"Generated a lot of work for us - with no benefit"

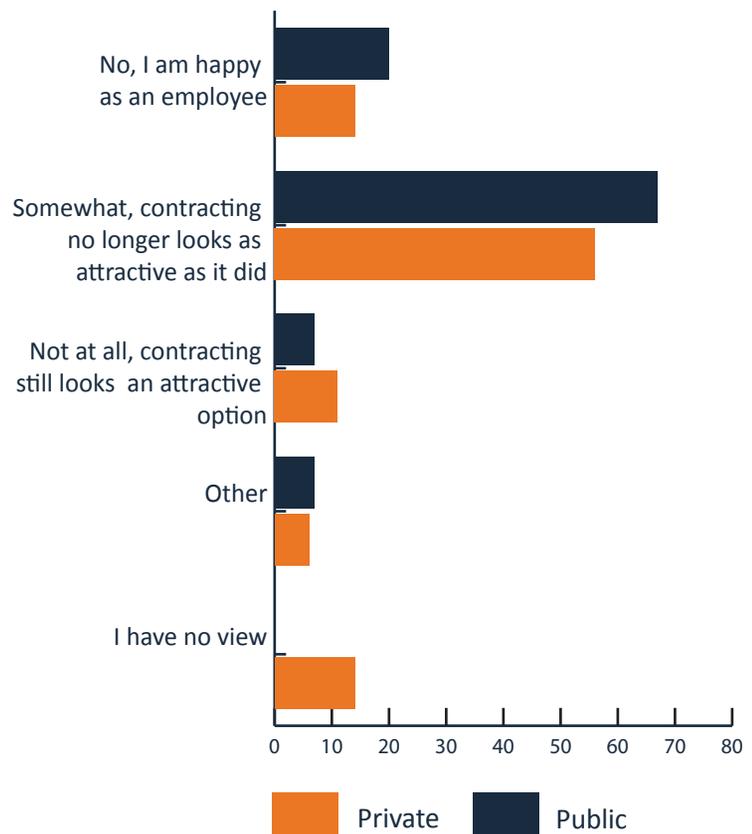
- Public Sector Employee

"It put a lot of hard working honest people out of work and impacted our suppliers too.... They should go after the people and companies not paying their share rather than the single person trying to make a life for his family"

- Public Sector Employee

"May suit the HMRC but it has cost my current organisation about 3 million from the programme budget in lost productivity as the programme I am working on is unable to find the skills it needs from the contractor market and the company has a freeze on increasing permanent staff who would take time to train."

## Employee View of Contracting



"I remain unconvinced it addresses the true underlying issues that need to be addressed in order to achieve a "level playing field" (whatever that actually is)."

– Private Sector Employee

"There is a pronounced shift of contracting staff shifting to be full time employees - I'd see this extend"

– Private Sector Employee

"Strongly in favour of the new legislation. Should have been brought in earlier."

– Private Sector Employee

"Prices will increase, flexibility decrease and projects delayed"

– Private Sector Employee

"I think this will be a step too far by Government and HRMC. It will turn a lot of contractor workers away from the UK market and this in turn will have major resource issues for UK based programmes / projects."

– Private Sector Employee

# Conclusion

From the responses and comments, it is not hard to see that many project management practitioners are feeling the pain of lost income and additional taxation due to the implementation of the Off-Payroll Workers legislation in the Public sector. Feedback, and our own experience as a recruiter would also suggest that the number of new roles created since April 2017 has reduced, as public authorities adjust to this new regime and its many impacts on their plans to execute programmes and projects and how they are staffed. It has also caused a secondary impact as many public sector practitioners have migrated to the private sector thus increasing the competition for available assignments. All of which seem to have led to higher levels of inactivity in the contractor community.

There is a wide concern amongst many project management practitioners that a further roll out of the legislation across all sectors would have a significant impact on the livelihoods of many and at the same time severely hamper UK PLC from remaining competitive and delivering the programmes and projects that will be required to support the post Brexit economy. Some also suggest that a brain drain is happening as 'mobile' contractors leave these shores to work in roles that recognise and pay for their talents and skills under a fairer tax regime.

It would appear that once again the UK is suffering from Government legislation that is being applied cumulatively as fixes are applied to poor base legislation (IR35) in order to address shortfalls in revenue or the unintended consequences that have been created by subsequent tinkering.

In the writers' opinion, the IR35 legislation was always flawed in giving the right of determination to the contractor supplying the services; this allowed the creators of roles, an opt-out from their responsibilities to build a balanced sustainable workforce and contributed to the proliferation of PSC's as they sought to further protect their liabilities by insisting in a business to business relationship, regardless of the true status of the positions that they were looking to fill.

Engaging contingent workers in the project management world should be relatively easy where a programme/project is a temporary endeavour, that has a defined beginning and end in time. As it is not 'business as usual' it shouldn't be hard to determine that the engaged workers are not "disguised employees". Issues of interpretation could arise where an organisation is looking to engage project management practitioners into business as usual activities to manage workload peaks, where comparable employees exist.

It would appear that the determination of status should not be overly difficult, but ultimately it depends on the goodwill and engagement of the hiring organisation. The current situation where blanket decisions are being applied, such as that which is occurring in the MoD should be outlawed and a system of appeal and review would help create the desired levels of transparency for all involved in the process. Whilst the Treasury may need the money, highway robbery by the HMRC on their behalf is not a sustainable model for the future of all involved in this process.

Most right-minded project management practitioners appreciate the need to create a "level playing field" (definition to be agreed) and getting to this point is bound to create some pain along the way. Getting there will require the inputs of all stakeholders and the co-operation of the Government. Maybe the Taylor review of "modern working practices" is a foundation that can be built upon to come to a fair and equitable approach.

Executed correctly, this could redraw the future for Freelancers/Contractors and allow us to recognise their value and contribution to the endeavours of UK PLC.

John Thorpe  
Arras People – November 2017

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