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Change
reimagined.

We need to talk
about IR35

the clock's ticking

Everything you need to get ready
for the off-payroll in April 2020.

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27%

of contractors left the public sector as a result of IR35 reforms. This does not need to happen to your business.



IR35 doesn't have to be a big problem



You can read this e-book to find out why or save time and call us.

t: 0203 405 2505

New IR35 reform doesn't mean losing good interim contractors. It simply means to prepare better and engage correctly.

After a huge number of employers and contractors were caught out when the IR35 changes were introduced to the public sector in early 2019, the last thing we want to see is you falling foul of the new legislation this time around. Having worked with many public sector clients, we have experienced the turbulence in advance that next April will undoubtedly bring.

This guide will bring you up to speed on everything you need to know about the new rules and what they mean for you and your PSC (Personal Service Company) workers.

The new IR35 changes means you do not need to lose good contractors. Instead, it will allow you to become more efficient in how to attract and retain skilled contractors.

Over the last three years, we have invested heavily in training and developing our teams on IR35. Who are now ready to provide you with the assistance you need.

IR35 is coming.
Let's work together to prepare you for it.

So, what went wrong in the public sector?

Despite all the fanfare from HMRC, the message around IR35 reforms either did not reach everyone or simply went over their heads.

Many organisations had not prepared their business or workforce for the incoming changes. This resulted in contractors quitting the public sector to work elsewhere.

Due to the IR35 reform, almost 85% of contractors said they would consider leaving the public sector to work for private companies.

Some of the contributing factors were:



A significant lack of understanding surrounding contractor situations and the inherent risks.



No centralised internal plans for contractors.



Poor communication and working relationships between employers, contractors and recruitment agencies.



Poor forward-planning between businesses and contractors about future projects leaving contractors uncertain as to whether they were inside or outside of the IR35 ruling.

What IR35 means for the private sector and you?

According to HM Treasury¹, “to increase compliance with the existing IR35 regulation, medium and large organisations in all sectors will become responsible” for assessing the employment status of PSC (Personal Service Company) workers.

¹ HM Treasury, 'Off-payroll working rules from April 2020 (IR35): Factsheet', Gov UK, United Kingdom, 2018 p. 1-2, <https://www.gov.uk/government/publications/off-payroll-working-in-the-private-sector-ir35-budget-2018-brief>

The main message from the IR35 public sector roll-out is that businesses need to communicate better with their contractors to prepare them for the new changes.

Start by identifying and understanding the rules you need to adhere too. You can then simply start filtering through your contractors and easier understand who is inside or outside IR35.

The good news...

Getting IR35 right means that your self-employed contractors will not need to leave. In fact, you will be pleased to know that they are here to stay.

By implementing the new guidelines and hiring contractors on an assignment-by-assignment basis, this can also prove to be more cost-effective for you.

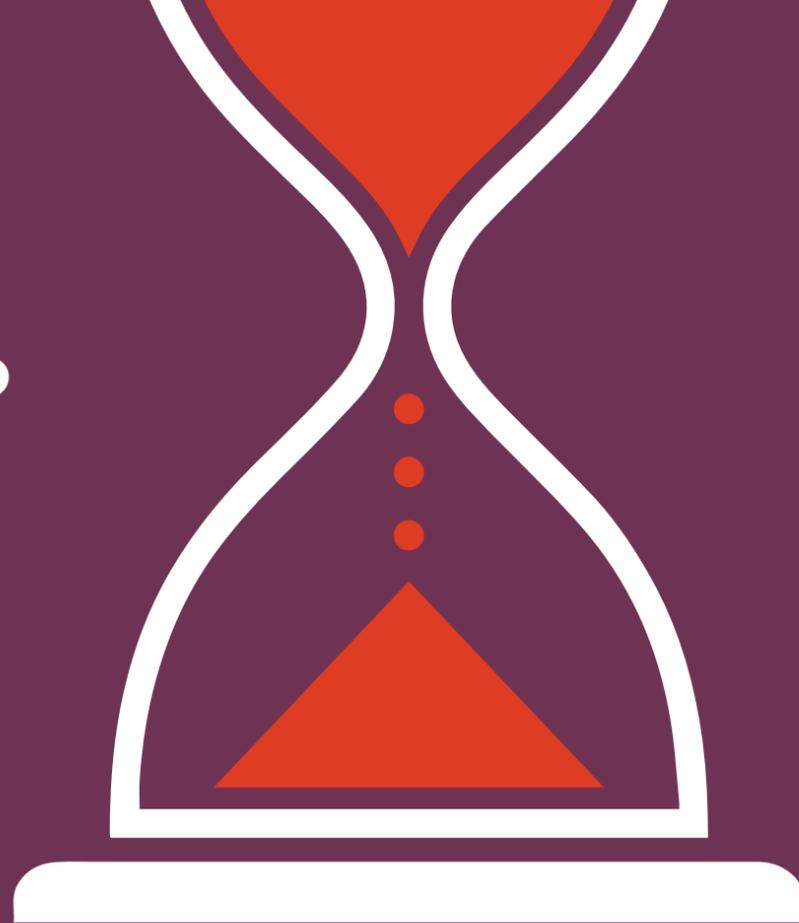
For your business, the outcome is clear: being well-prepared and having good communication could save your business from losing valued contractors.

£1.3bn

is what HMRC anticipates by 2023-24 to be the cost of those businesses who are non-compliant to the new IR35 legislation¹.

¹ HM Treasury, 'Off-payroll working rules from April 2020 (IR35): Factsheet', Gov UK, United Kingdom, 2018 p. 1-2, <https://www.gov.uk/government/publications/off-payroll-working-in-the-private-sector-ir35-budget-2018-brief>

**Not quite there yet?
There is still time.**



Even if you thrive under pressure and love the thrill of a last-minute deadline, you might want to save that for another time. April 2020 is fast approaching.

By leaving things too late, your organisation runs the risk of going the same way as many public sector organisations. This is incurring additional costs and leaving you with a shortage of much-needed resources.

Getting yourself prepared early means that you are more likely to attract the best talent in your sector before they are tempted elsewhere. We can help you with that too.

Having already helped our public sector clients successfully transition over to the new rules, we are ideally placed to do the same for you and your business.

We will advise you on best practices and work processes and help you get the balance right with your mix of permanent employees and PSC workers.

Self-employed contractors in the Business Change and IT Transformation industry are here to stay: the nature of change and the current reforms prove that businesses will always require highly-skilled interim personnel.

If applied correctly, the new IR35 changes do not mean you will need to lose good people.

Instead, it will allow you to become more efficient in how you attract and retain skilled contractors.

How ready are you?

Usually, organisations fall into 1 of 3 groups in terms of their readiness for IR35.

Which one are you?



Informed, up to date and raring to go.

You are prepared. It might as well already be April 2020 as far as you are concerned.



Aware but not ready and need to do more.

You know a little bit about IR35 but are not in any rush to assess your contractor situation because you can worry about all that later...



Completely unaware and under prepared.

Huh? IR what...?!

If you are in the second or third group above, help is at hand!

Get in touch and we will ensure that you will be ready in time for the new legislation in April 2020. Even if you think you are well-prepared, there is still no harm in contacting us. We will be happy to help and – you never know – we might spot something that you have missed.

Remember, the clock's ticking...

Need a hand?

Here is some practical advice and guidance on how to make the most of the IR35 reforms.



1.

Don't hang around!

There is no time like the present, so preparing sooner rather than later means you may not have to make massive changes to how you use contractors. When the time comes, it will ensure you will still be able to get the right people and skills needed to successfully deliver your projects.

2.

Do a risk assessment.

Carrying out an audit of your interim workforce will help you work out your level of risk and the potential impact of IR35. If you are unsure how best to do this, then we can help you do a health check and recommend what else is needed to be ready in time. If your process for hiring interim and permanent staff is the same, this is a problem and one we can help you with.

3.

Consider your long-term approach to IR35 and contractors.

Think about how you will best approach and assess each assignment. As well as, how you can demonstrate fairness and transparency in taking on contractors. If your contingent workforce spend is small then a recruiting expert in this area can help meet your obligations. If you rely more heavily on contingent workers, then a Managed Service Programme (MSP) may be more beneficial, where a recruiting partner fully manages the recruitment process of temporary workers for you.

4.

Change the way you think about interim contractors.

Over the years, contractors have been seen as gap-fillers – expendable, short-term solutions papering over the cracks of the organisation's wider staffing issues. Yet there are plenty of instances of contractors being engaged long-term (5+ years). The IR35 changes do not need to threaten this. The real need for contractors will still exist albeit with more thought and planning required to make it work properly.

Book your free advisory consultation.

IR35 is coming. We will help evaluate your risks and recommend ways to hold onto your contractors.

Get in touch with one of our IR35 advisers today:



Steve Garner
Managing Director
t: 0203 405 2505
e: sgarner@venquis.com



Liam Kelly
Client Relationship Manager
t: 0203 405 3512
e: lkelly@venquis.com



Rocky Patel
Client Relationship Manager
t: 0203 405 8335
e: rpatel@venquis.com



Jack Grimes
Sales Director
t: 0203 405 3508
e: jgrimes@venquis.com



Best recruitment consultancy

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Expect an award-winning service and dedicated team ready to provide you with the help you need... even if you do not know it yet.

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Contact:
0203 405 2500 | Info@Venquis.com

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