
Press Release

PRISM to Support Their Recruitment Company Members

PRISM are pleased to confirm that they are offering support to their recruitment members planning to run end client facing seminars covering the Off-Payroll in the Private Sector proposals.

With the Off-Payroll in The Private Sector Consultation now closed all focus is on what HMRC will do, and when they will do it from. Most seem resigned to the fact that something is going to happen either in April 2019 or April 2020, although the timings of the consultation suggest it may be sooner rather than later.

What is clear is that both recruiters and end clients have significant knowledge and preparation to undertake to ensure they are ready for whatever comes along.

Under the current regime for contractors in the private sector the responsibility, and liability, relating to their assessment of IR35 sits firmly with the contractor. The proposals are likely to change all of this with a large part likely to be placed on the end client assessment of status.

End clients and recruiters have never had to fully consider this previously, and to avoid the blanket assessments that are now so widely reported in the public sector, it will be imperative that this extensive knowledge is acquired and understood well in advance of any change. The size of this job should not be under-estimated.

The Off-Payroll in the Public Sector, contrary to HMRC PR, created complete confusion with many organisations still not fully understanding the rules and adopting a low risk approach of 'everyone is caught'. The Private Sector will want to avoid these mistakes as they are likely to be costly and, as we saw in the Public Sector, cause delays in critical projects and work currently underway.

The Private Sector also differs in that many contracts have been priced and agreed with many years still to run. The costings we made based on tax rules that are likely to change; clients will want to ensure they can protect their financial position and don't sleepwalk in to a series of loss making projects.

Whilst the details are, as yet, unclear many recruitment companies are planning on starting the process with their clients after the summer breaks, recognising that the preparation for implementation will take a significant amount of time.

PRISM are offering their time free of charge to assist the recruitment companies in this work and already have a number of events under discussion.

As with any change, approached in the right way it can represent significant opportunities and from discussions we have already had these proposals would appear no different.

The template structure suggests an initial group presentation to clients that will cover the proposals and IR35. The final proposals are also likely to include details on liabilities which could pass back to the clients where the rules are not followed as intended. This will result in end clients becoming increasingly interested on the work recruiters are doing to ensure ongoing supply chain compliance. This area will also be covered in the session.

The session should end with a suggested next steps action plan allowing the clients to make initial assessments on the impact the proposals could have on their current contractor engagements.

This understanding and assessment will help clients assess their options for future engagements including any cost implications as well as actions they can take to ensure workers remain outside of IR35. This also allows the recruiters to start detailed planning with their clients. Helping the clients to build and develop the action plans provides real added value to the relationships. For the recruiters this is where a real opportunity can present itself to gain a greater number of placements from their existing clients.

Where recruitment companies are looking to run these events planning and preparation will be required as well as the recruiters gaining a greater understanding of the proposals, IR35 and the implications so they are able to follow up with the clients. We will discuss this aspect as part of the preparation process. This work can run parallel to client invites being sent.

It has been clear from our discussions that even if changes did not materialise until 2020 this merely provides an extended time to ensure the work is completed effectively and has little impact on the process that will need to be followed.

We are unlikely to know with any certainty what will be happening until after the Autumn Statement towards the end of the year with final legislation, if it is introduced for April 2019, not confirmed until February. Waiting for these details will not allow recruitment companies or their clients enough time to fully consider the impacts and prepare for the change and is likely to result in knee jerk reactions.

Whilst we have a proposed structure we are happy to adapt and change this to a recruitment company's specific requirements. We are also able to liaise with other expert firms to ensure a well rounded high value event for your clients.

If this is something you would like to discuss and see how we can support you with your clients please contact Crawford Temple at crawford@prism.contractors.