

Contractor policy agenda advanced by key stakeholders at PCG seminar

The contractor policy debate took a significant step forward at a round table event held by the [Professional Contractors Group](#) (PCG) in London yesterday. Key issues discussed included the legal definition of a 'contractor'; pre-general election timetables for influencing political parties; and how best to tackle the negative effects of the [Agency Workers Directive](#) on contractors.

Chaired by PCG managing director John Brazier, the event was attended by key stakeholders from industry, sector and national bodies, plus recruiters and industry commentators like ContractorCalculator's CEO, Dave Chaplin. Speakers included representatives from the National Union of Journalists ([NUJ](#)), the Recruitment and Employment Confederation ([REC](#)), tax specialists [Grant Thornton](#) and an Emeritus Professor of Employment Law.

Despite an invitation from PCG for a speaker from government to attend and provide insights into the governments' views on the contractor sector, the invitation was declined.

"PCG is clearly engaging with those stakeholders best in a position to champion contractors' causes," commented Chaplin on the delegates. "It's only through events like these that industry bodies like PCG can set a policy agenda."

Defining contractors

Much debate centred around the definition of a contractor or freelancer, and how to set down in employment law the difference between those employed and workers who are not employed, but go by a range of different names:

- o Contractors dominate in IT, telecoms, oil and gas, construction and engineering;
- o Freelancers are found in marketing and the media
- o Interims are management specialists; and
- o Locums are temporary doctors and other medical specialists; and
- o Supplies are generally teachers or others in the schools sector.

The meeting heard that currently, throughout the UK and Europe, employment appears to be seen by most politicians as the only 'proper course'. So contractors and the self-employed are officially seen as somewhat 'deviant' in their working behaviour.

Contractors are also clearly different from traditional small businesses, in that most are knowledge workers who have no plans for growing their businesses by employing additional workers. It was suggested at the meeting that attempts to define contractors on the employment law statute books must therefore distinguish them from 'traditional' small businesses.

UK policy agenda

Contractor bodies were provided with a clear timetable if they hope to influence the policy of the major political parties on managing contractors, taxation and small businesses in anticipation of a general election that must be held by no later than 3rd June 2010.

Manifestos are being created now, so contractor bodies will need to reach a consensus and deliver their message to politicians by the start of the new session of parliament in September, if they are to have any hope of seeing initiatives and reforms stated in policy.

However, one speaker warned that action by politicians on contractor and small business issues is not going to be swift. It will take up to the next election for the parties to build in manifesto pledges to reform contractor and small business legislation, and at least a year for implementation once the election winner takes charge.

Agency Workers Directive

The meeting acknowledged that Agency Workers Directive (AWD) agenda has been largely driven by EU member states. These have little comprehension of the kind of flexible workforce represented in the UK by contractors and freelancers, who use agencies to find them work, with those agencies typically acting as contractors' outsourced sales and marketing departments.

Possible classifications of what constitutes a 'vulnerable worker' came under intense scrutiny. But it became clear in the meeting that there is no simple definition and that pay, sector, skills, lifestyle and frequency of non-employed work all have an impact on a worker's perceived vulnerability.

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Dave Chaplin,
ContractorCalculator

The window of implementation of the AWD is from April 2010 to October 2011, and the Department of Business, Innovation and Skills (BIS – formerly [BERR](#), Business Enterprise and Regulatory Reform) is currently undergoing a consultation on the AWD’s implementation.

Contractors remain a poorly defined and understood class of businesses and workers, yet they clearly provide a flexible resource that keeps UK PLC ahead of many of its European rivals in encouraging inward investment and improving the performance of the private and public sectors.

“Important progress was made at this PCG seminar in understanding what the contracting sector has to do in order to communicate more readily with policy makers and government,” comments Chaplin. “And it’s my understanding that the PCG plans to follow the seminar up with further actions to keep the momentum going.”

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Dave Chaplin is a former IT contractor in the City of London, and is founder and CEO of ContractorCalculator, and author of the Contractors' Handbook.

Started in 1999, ContractorCalculator (this site) is the leading independent website for the UK contracting industry – most of whom are highly skilled knowledge workers. [Read Full Profile...](#)

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