

The government takes a stand on contractors

Good news for contractors: the Government will not insist that contractors be treated as permanent employees, and the Government will crack down on rogue agencies. The position was announced today by John Hutton, Secretary of State for the Department of [Business, Enterprise and Regulatory Reform](#) at the Labour Party Conference in Bournemouth.

More good news: Hutton has committed the Government to reviewing proposals for the [European Union directive on temporary workers](#). Says Hutton: "Britain will not sign up to any deal that threatened the flexibility of its large casual labour market." Hutton added that any agreement would have to balance protection for vulnerable workers against job creation and rising national prosperity. Hutton welcomed the Portuguese EU presidency's decision to make the issue a priority--although there will be no draft directive during the 6-month period. Hutton hoped, however, that the current discussion would "provide an opportunity to try and reach a sensible agreement."

Union Demands Rejected

The Government position was taken in despite of a demand by the Trade Union Congress, Britain's largest labour union, to adhere to the directive and to treat temporary workers as though they were employees both in terms of employee rights and in terms of taxation.

The Government's position was welcomed both by the London-based [Professional Contractors Group](#), and by the London-based organisation of recruiters, the [Recruitment and Employment Confederation](#). REC spokesman Tom Hadley said: "Despite the ongoing and often misinformed trade unions attacks it is extremely encouraging to see that the Government has taken on board the positive role that agency work plays in the modern economy."

“ Britain will not sign up to any deal that threatens the flexibility of its large casual labour market ”

John Hutton - BERR

Rogue Agencies Under Attack

Hutton has gone even farther in committing the Government to better control the recruitment industry in the UK. Hutton said: "Where there are abuses in employment agencies, we must root them out. I can announce today we will double the number of inspectors in the Employment Agency Standards Inspectorate and give them greater powers to investigate, and we will go further to crack down on rogue agencies." Rogue agencies are those that do not adhere to good practice in both treatment of and payment of contractors.

The Government's specific concern is to avoid the abuse of vulnerable temporary workers, like those Chinese nationals who were found being forced to pick shellfish under horrendous conditions at Morecambe Bay. But the issue affects us ordinary contractors just as much; we may not be suffering from brutal treatment, but we do have problems when agencies do not pay us on time or do not behave responsibly in other ways. There is good reason to expect that the new policies will improve working conditions for us all.

BERR Should Cut Down Red Tape

Contractors do hope that the BERR will make efforts to cut down on red tape. A survey by the Bank of Scotland this month shows that three quarters of Britain's small business owners and senior executives expect to face an increased burden of red tape over the coming years. Nearly six in ten small business owners believe that the need to comply with regulations and legislation is hindering the performance of their business. We would hope to hear more from Hutton on on red tape issues like [IR35](#), one that Hutton has not yet commented on.

“ We will go further to crack down on rogue agencies ”

John Hutton - BERR

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