

## MEPs give thumbs up to AWD whilst PCG lobbies for contractor recognition

The [Agency Workers Directive](#) was voted through the European Parliament by MEPs last week, bringing it a step closer to becoming law in the UK. Crucially there have been no amendments by the European Parliament or the Council.

According to John Kell, Policy Director at the [Professional Contractors Group](#), it will be some months before any clear direction emerges from the Department of Business, Enterprise and Regulatory Reform ([BERB](#)), the government department charged with implementing the directive in UK law.

"Up to the stage that the vote was taken last week, there was still the possibility that changes could be made to the directive," explains Kell, "but the vote now confirms the detail that BERR has to work to."

### Consultation

"We intend to respond comprehensively to any public consultation announced by BERR," continues Kell. "Contractors probably won't see a specific opt-out as such, but we will be recommending that the legislation is drafted such that contractors will not be included in the first place."

There have been increasing signs from government that contractors will, by whatever means, be excluded from the provisions of the directive, which would give contractors equal rights and pay to their client's permanent employees after 12 weeks.

### Contractor issues

The PCG has been very active in recent months lobbying on behalf of its membership, which has now grown to about 17,000. "We attended the Labour and Conservative party conferences where the AWD was a talking point," says Kell, "but we are business as usual lobbying hard on a range of issues."

All currently receiving attention from the PCG are the [Treasury consultation over tax relief on contractors' travel expenses](#), [income shifting proposals](#) that might be announced in the imminent pre-budget announcement and the Taxpayers' Charter.

On the latter, Kell says: "The Taxpayers' Charter now looks like it will be going ahead but it won't have any new content. There is still debate about the statutory basis, and the government has said no to statutory provisions without consultation. We've voiced our opinion about this and we should see a second consultation in early 2009."

### Conservative approach to small businesses

The PCG's managing director John Brazier has also been busy championing contractors' demands for greater recognition of their contribution to the success of UK PLC over the last decade.

Key members of the shadow cabinet, including David Cameron, George Osborne, Mark Prisk and Alan Duncan were present at a Small Business Survival Summit at the Houses of Parliament last week, where Brazier had the opportunity to exchange frank views over the plight of micro-businesses, including hundreds of thousands of contractors, and proposals to soften the impact of the economic downturn.

"We support the proposal to cut National Insurances Contributions (NICs) by a penny," says Brazier, "but we are concerned that VAT payment holidays may merely be postponing the inevitable and small businesses will have to pay in the end."

According to Brazier, the summit sent a strong message to the banks that they should pass on their government funded liquidity to ensure small businesses do not go to the wall because of cash flow crises: "The objective of the summit was to discuss the ability of small businesses to get cash and that the banks have support procedures in place.

### Contractor friendly Conservatives?

Although key figures in the Conservative Party such as [John Redwood](#) have voiced support for contractors' concerns about the tax regime imposed by the government, they have made no specific commitments.

However, says Brazier: "At the [Conservative Party](#) conference, Alan Duncan made reference to unhelpful income shifting proposals, pointing out they were another one of Labour's measures that were unhelpful to small businesses.

"The income shifting proposals in their current form are unworkable and could have a much wider impact than their original design intended. The regulatory burden would increase sharply, with a

“ The income shifting

huge rise in records required to prove specific responsibilities in a business up to six years later.”

Brazier hopes that this year’s pre-budget announcement will clarify the income shifting proposals and that plans for their adoption will be shelved indefinitely.

From the mood of the meeting, Brazier feels there will be positive changes in the relationship between banks and small businesses and contractors.

**Published: Tuesday, October 28, 2008**

[Tweet](#)

© 2011 All rights reserved. Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#). If you want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

proposals in their current form are unworkable and could have a much wider impact than their original design intended

”

John Brazier, Managing Director, PCG

## Readers Comments...



Be the first to comment on this article

## Also of interest...

### Related News:

- Agency Workers Directive opt-out for UK contractors is looking increasingly likely
- Agency Workers Directive looms, yet still no opt-out for contractors
- Labour signs EU agency workers directive with no opt-out for contractors

### Related Guides:

- What is IR35?
- Keeping control keeps IR35 away from contractors
- Contractors and employment rights: a huge can of worms

### Related Calculators:

- Contractor Financial Profile Calculator

### Related Internet Links:

- BERR
- John Redwood
- European Parliament
- PCG
- Treasury
- The Conservative Party
- The Labour Party



ABCe verified website - last audit confirmed 130,682 monthly unique visitors

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)