

## PCG and work foundation team up to make the case for contractors

The London-based [Professional Contractors Group](#) and the London-based [Work Foundation](#) have teamed up to put the case for contractors before our law givers.

### Event At The Labour Conference

The two organisations are sponsoring 'fringe meetings' held at the political party conferences which are currently taking place. For example, at the Labour party conference in Bournemouth, the two groups held a meeting called "Escaping the Rat Race – Freelance Freedom or Job Insecurity?" to raise awareness of the important contribution that freelancers make to the economy.

The Work Foundation is a not-for-profit foundation which researches labour conditions in the UK, with specific reference to what kind of work is good for both workers and the companies that employ them. "PCG's long-term goal is to spread the understanding that work is no longer just about being an employee. The Work Foundation is a key player in the current discourse on work in the UK, and between us we hope to shape the debate," explains PCG managing director John Brazier.

Says Nick Isles, director of Advocacy at the Work Foundation: "The number of people working for themselves is increasing. Many people are downsizing or opting for the freedom of freelancing. Evidence indicates these people are happier, healthier and more committed to their work. Is the growth in freelancing and short term contracting a sign of better work life balance or of wider job insecurity in an age of globalisation?" That is the kind of question that was discussed at the fringe meeting.

### Need To Raise Consciousness

Both organisations are keenly aware of the need to raise consciousness about contracting. When Tony Blair spoke on the future of the workforce earlier this year at The Work Foundation, the former prime minister did not even mention self employment or freelancing.

### 3.8 Million Self-Employed

Says PCG chairman David Ramsden: "Although politicians discuss employment issues, such as flexible working, and the Government frequently introduces measures that affect freelancers' businesses, there is still a tendency to regard freelancers as temporary employees rather than one-person businesses that provide services essential to commerce, industry and government departments. It's estimated that there are 3.8 million self-employed people in the United Kingdom, including 3.3 million businesses with no employees turning over £208 billion. That's a lot of potential votes for any political party to consider."

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The Work Foundation

In a recent survey of PCG members, 80% agreed that clients recognised freelancing as a valid business model while 95% felt that the Government gave freelancing no recognition.

### Need For Duty of Care for HMRC

"The Government pays a great deal of attention to the self-employed when it comes to tax," continues Ramsden. "[IR35](#), the so-called 'freelancers' tax' is enforced vigorously. Yet many freelancers do not understand the tax and may be incurring unnecessary financial penalties."

Ramsden points out that PCG and its suppliers have handled 1,440 IR35 cases on behalf of its members, of which only four were found to fall within the scope of IR35. This is a waste of taxpayers' money, tax inspectors' time and is appallingly stressful and financially damaging for genuine freelancers trying to run a business. That's why we are calling for a duty of care to be placed on HMRC to prevent freelancers being subjected to disruptive and aggressive tax investigations with no means of redress."

Placement of duty of care would mean that the Revenue would be obliged to make redress in monetary form to the contractor who had suffered. The Law Commission is currently studying such a reform; watch this space for the scoop about it.

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