

## Off-Payroll: Is HMRC concealing vital public sector research IR35 findings?



HMRC has acknowledged that information was omitted from published research into the implementation of Off-Payroll (IR35) in the public sector, which it admits could otherwise impede its ability to introduce the rules to the private sector.

In a response to a Freedom of Information (FOI) request from ContractorCalculator, the taxman conceded that earlier drafts of the IFF Research report, '[Off-Payroll Reform in the Public Sector](#)', contained information which was subsequently removed.

The taxman's insistence that the earlier drafts are exempt from disclosure has prompted questions over their contents and whether their omission has contributed to a misleading portrayal of the impact of Off-Payroll (IR35) on the private sector, which was implemented in April 2017.

### Omitted information threatens HMRC's private sector plans

"The omitted findings are obviously significant and somewhat contentious, or else HMRC wouldn't consider their disclosure potentially damaging to its intention to introduce the Off-Payroll rules to the private sector," highlights ContractorCalculator CEO Dave Chaplin.

"HMRC has provided its reasons for omitting the information. However, the duplicitous manner with which HMRC has conducted itself in attempting to force through the Off-Payroll rules, along with the report's ultimate conclusions, lead us to suspect that there may be more to it."

Following their April 2017 implementation, HMRC had commissioned IFF Research to produce a report on the experiences of public sector bodies in adopting the Off-Payroll rules. The report was published in May 2018, alongside the Government's initial '[Off-Payroll working in the private sector](#)' consultation, which cited the report multiple times in promoting the proposal to extend the public sector rules.

[Consultation responses from stakeholders](#) were largely critical of the report and HMRC's use of it. Among the issues raised were:

- Disapproval over the report's failure to consult with public sector contractors
- A disconnect between the findings and those of other independent studies
- Accusations that HMRC had cherry-picked figures to portray the reform in a more positive light.

"Given the way that HMRC almost used the IFF report as a promotional tool for the Off-Payroll rules, and the final report's dubious conclusions, it's well within the realms of possibility that the taxman chose to omit information because it compromised its otherwise rosy

portrayal of the reform,” notes Chaplin.

## Why won't HMRC disclose earlier draft reports?

Only the taxman can confirm the reasons behind HMRC's refusal to disclose earlier drafts of the report. Responding to ContractorCalculator, HMRC states that the information is exempt from disclosure as it would otherwise prejudice the effective conduct of public affairs, in reference to HMRC's tax collecting duties.

Various reasons for the omission of information were provided, including claims that certain data failed to meet departmental statistical disclosure rules, contained errors, or was misrepresented.

The taxman goes on to add: *'Due to the nature of the draft reports, the requested information would likely mislead the public and those involved in the future consultation process. Disclosure at this time would likely cause unhelpful debate based on a misrepresentative picture of a closely associated policy.'*

*'It is the opinion of the qualified person that such disclosure at this time would likely prejudice the department's ability to effectively introduce the off-payroll working in the private sector.'*

“As long as these drafts are withheld by HMRC, we will never know for sure whether data was omitted for the reasons provided,” concludes Chaplin. “All we know is that HMRC considers their contents to have the potential to derail its plans for April 2020.”

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