

Information Governance

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15 February 2019
Reference no. 18190381

Dear

Request for Information: Freedom of Information Act

Thank you for your email of 15th January making a request for information under the Freedom of Information Act. You requested the following information and the Trust is able to provide the information below in response:

Request:

The Off-payroll legislation was introduced in Chapter 10 of the Income Tax (Earnings and Pensions) Act 2003, with the new legislation going live from April 6th 2017. This new legislation overrode, in the public sector, the existing Intermediaries Legislation (Chapter 8, ITEPA).

The new legislation is here:

<https://www.legislation.gov.uk/ukpga/2017/10/schedule/1/part/2>

Around July 2018 HMRC sent your body a letter asking for information related to "Checking compliance with the rules from April 2017"

For easy identification, a copy of the letter is as follows:

-- Letter start --

Off Payroll Reform in the Public Sector
Section 61M Chapter 10 ITEPA 2003 and Regulation 13 Social Security (Miscellaneous Amendments No.) Regulations 2017

Following the introduction of chapter 10 ITEPA 2003 and certain amendments to chapter 8 ITEPA 2003 ("IR35"), new rules apply in relation to off-payroll working in the public sector from 6 April 2017. Where individuals work and are paid through their own intermediary, public

authorities as defined in the legislation) are now responsible for deciding whether the rules apply. Where a person is assessed as being with the new rules, the public authority agencies and third parties paying the fee for the services of the worker must operate tax, NICs and operate the Apprenticeship Levy.

I would like to check your compliance with the new legislation, including any systems you have introduced to help you decide whether the offpayroll rules should apply when engaging workers via their own intermediary (either directly or via an agency or other labour provider). Such an intermediary will often be a 'personal service company', but as the legislation also applies where a worker is engaged via a partnership or another person, I will use the terms 'PSC or other intermediary' and 'PSC etc' in this letter.

I have listed the information we need below and would be grateful for your response by 31 August 2018. If the amount of information I have requested will make this difficult, please contact me to discuss how this can be managed.

Checking compliance with the rules from April 2017

1. Please describe the steps you took prior to April 2017:

- i. to review the off-payroll engagement of PSCs or other intermediaries, to decide whether the off-payroll rules would apply
- ii. please include an explanation of any different or additional steps taken in relation to PSCs etc that you engaged via an agency or other labour provider.

2. If different from 1 above, please describe the systems / processes currently in place to decide whether the off-payroll rules apply to PSCs etc, whether you engage them directly or via an agency or other labour provider. Please provide a copy of any internal guidance / operating procedures for your staff, and comment on:

- i. who is responsible for carrying out the checks and approving decisions
- ii. whether the Check Employment Status for Tax tool (CEST) is used to inform decisions as to whether the rules apply, and
- iii. how you ensure compliance where the PSC is engaged via an agency or other labour provider.

3. For the tax year 2017/2018, if you directly engaged with and paid any worker's own PSC or other intermediary, please tell us:

- i. the total number of such PSCs etc that you engaged directly
- ii. the number of such PSCs etc that you decided were within the scope of the legislation
- iii. if different from (ii), the number of such PSCs etc that have been subject to deduction of tax and NIC and included in an RTI submission
- iv. the number of such PSCs etc that you decided were outside the scope of the legislation
- v. the names, addresses and a brief description of the worker role / nature of services provided by the PSCs etc within (iv) above.

4. For the tax year 2017/18, if you were invoiced by any agency or other labour provider for services via a worker's own PSC or other intermediary, please provide the name of each such agency or other labour provider and, or each of them, please tell us:

- i. the total number of such PSCs etc supplied by that agency / labour provider
- ii. the number of such PSCs etc that you decided were within the scope of the legislation
- iii. whether you told the agency / labour provider that the rules applied for every PSC etc within (ii) above and if not, please explain why not)
- iv. the number of such PSCs etc, that you decided were outside the scope of the legislation
- v. the name, addresses and a brief description of the worker role / nature of services provided by the PSCs etc within iv) above.

5. Please identify any workers / PSCs etc that you decided were within the off-payroll rules, which have subsequently been engaged / paid via umbrella companies. Do you have any policy in place that encourages the use of umbrella companies for those found to be within the rules?

6. For those not working through umbrella companies, have any workers that previously worked through their own PSC etc subsequently entered into employment contracts with your group?

7. The offpayroll rules do not apply where a public authority has fully contracted out services to a third party e.g. an outsourcing company operating under a contract where the workers do not personally provide their services to the public authority. If you believe this applies to you, please provide an explanation for the affected contract(s).

More information about the check

I enclose factsheet CC/FS1c 'General information about compliance checks into certain large and complex businesses'. Please take time to read this, it gives you more information about this type of check. I also enclose factsheet CC/FS22 'Sending us electronic records'.

If you have any questions, please contact me using the details shown at the top of this letter.

-- Letter end --

Response:

The Trust hold no information in respect of this request.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review of our decision, you should write to me and I will ensure the decision is reviewed. The Trust will consider undertaking a review if requested to do so within 40 working days of the date the response is received by the applicant, and will apply discretion if a longer period of time has passed.

Should you wish to make a complaint as a result of the outcome of such a review, you may apply directly to the Information Commissioner's Office (ICO) for a decision.

Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Trust for Fol Act matters.

The ICO can be contacted at:

The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF

Please contact me if there are any further queries.

Kind regards,

Yours sincerely,

Mark Underwood

Head of Information Governance