

# IR35 compliance

The IR35 compliance managed service is for organisations in any sector impacted by the extension of IR35. Concerns and risk of IR35 liability is driving drastic measures in financial services, professional services and beyond.

## Lost access to valuable skills

Organisations that lose access to top Personal Services Company (PSC) contractor talent will also be at a severe disadvantage – certain specialisms and expertise to date have almost exclusively been limited to the PSC marketplace. A sudden exodus of contractors means organisations are at risk of project paralysis and operational disruption. Plus, in future, organisations will find it far harder to bring in high-calibre contractors with up-to-the-minute skills. Workforces will become more rigid. Organisations will lose the agility that is so key to outperforming competitors.

## Potential liabilities & costs

Under the updated regulation, compliance becomes much more challenging. Every role has to have an IR35 determination.

No organisation wants to risk the potential liabilities of unpaid or incorrect tax and contractors don't want to get caught out either.

Many organisations are understandably playing it safe and erring on the side of caution. Doing so, however, means headcount and staffing costs will rise.

At New Street Consulting Group, we aim to mitigate the consequences, because of, and due to IR35 changes. Our service solution is a smarter approach to minimising liabilities, disruption and risk of increased staffing costs. At the same time, it ensures you continue to access high calibre contractor talent that gives your organisation the agility to compete.

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## The problem with conventional structures

- **Direction & control = disguised employment**

As they become bigger, organisations can often become inflexible and wedded to traditional ways of working. Their conventional structures feature 'manager-subordinate' worker relationships. Workers are task-managed – not just employees, but contractors too. This entails 'direction & control', a key IR35 indicator of 'disguised employment'. Due to this direction and control issue, many current contractors would be inside IR35.



## There is a different way...

- **Services not people**
- **Projects not roles**
- **Deliverables not instructions**

Organisations don't have to be bound to the old ways of doing things. That's why we've created the IR35 compliance managed service for programmes of work that involve medium to high-volume use of contractors. In effect, it is a service enablement process with a rigorous governance framework at its core. The difference is that the client or work-giver contracts services not people to deliver on clearly specified deliverables.



## How it works

Conventionally, contracted workers are given a role to fulfil. Our approach is different. We work with organisations to translate their needs, demands and goals into discrete packages of work, with a defined scope and clear deliverables. Individual service providers are contracted to deliver the output, not perform a conventional role that can often be quite abstract and lacking outcome specificity. This in turn eliminates the manager-subordinate relationship and associated task management, ensuring compliance with "outside IR35" determinations.

### Packaging demand

- ✓ We translate organisational demands into packages of work that fit specific criteria to ensure compliance. A defined and discrete scope of work, identifiable as the output.
- ✓ Project based deliverables – not part and parcel of day-to-day operations.
- ✓ A defined start and end with clear milestones.
- ✓ Service levels. Payment terms. Penalty terms.

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## Managing the whole process

The **IR35 compliance managed service** is implemented and managed by the New Street Group. Our team works with the employer stakeholders to orchestrate demand and scope it into work packages. We then manage the process end-to-end, including engaging the service providers and taking care of IR35 determination – as well as all other aspects of engagement management.

### Ensuring compliance

- ✓ IR35 determinations
- ✓ Insurance
- ✓ Regulatory requirements
- ✓ Security checks

## Employers reap the benefits

### ✓ Governance:

Through this robust enablement service, you ensure compliance and reduce risk and liability.

### ✓ Talent:

Organisations can continue to access specialist PSC talent that would otherwise work elsewhere – potentially for competitors.

### ✓ Operations:

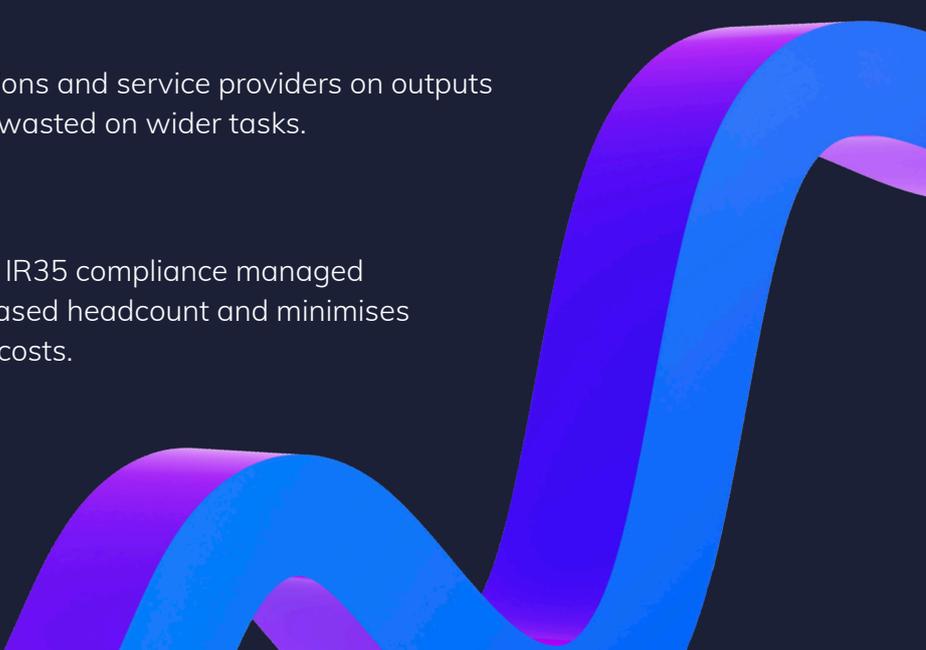
This approach enables greater agility and flexibility in operations. Organisations can move faster to reach the market and beat the competition.

### ✓ Performance:

The scope of work focuses organisations and service providers on outputs and goal delivery. Resources are not wasted on wider tasks.

### ✓ Costs:

There is true bottom-line impact. The IR35 compliance managed service reduces the need for an increased headcount and minimises risk of tax liability and wider staffing costs.



# Compliance and delivery at each stage



## Find out more

Discover how a **IR35 compliance managed service** could transform your IR35 response.

Contact by emailing [hello@nscg.com](mailto:hello@nscg.com)  
or call **020 7936 2865**.