



HM Revenue  
& Customs

Ralph Bolton

By email:

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Our ref: FOI2020/00084

Dear Ralph Bolton

**Freedom of Information Act 2000 (FOIA)**

Thank you for your request, which was received on 15<sup>th</sup> January, for the following information:

“Since the IR35 "off payroll" rules change in the Public Sector (April 2017):

- How many "inside IR35" contractors have HMRC hired for any function or duration?
- How many "outside IR35" contractors have HMRC hired for any function or duration?
- What is a typical total duration for a contractor inside IR35?
- What is a typical total duration for a contractor outside IR35?
- What is a typical rate for inside IR35 contractors?
- What is a typical rate for outside IR35 contractors?

For durations, please include total tenure, that is initial contract and extensions. For rates, I'm happy to see a small range (eg. £300-400). I'm not looking for mathematically perfect measures here - just a reasonably accurate estimation is enough.”

We can confirm we hold information within scope of your request. However, we estimate that it would exceed the FOIA cost limit to provide it. The cost limit for central government equates to one person spending 3½ working days locating and extracting all of the information within scope of the request. Consequently, under section 12(1) of the FOIA, we are not obliged to comply with your request and we will not be processing it further.

The information you request is held on a series of monthly spreadsheets containing data provided by the various contingent labour suppliers engaged by HMRC. These hold a line of data for each contractor engaged in that month. The data held does include the IR35 determination status, tenure up to that point and their charge rate. Where the rate is other than on a daily rate basis there is also a calculated equivalent daily rate. The most recent data sheet we hold is for the month ending 31<sup>st</sup> November 2019, as this data is provided retrospectively to accurately show the billings for the given month.

While some of these spreadsheets hold a sheet of data on the individuals who left in that period, many do not. Without this it would be extremely labour intensive to review each sheet against the preceding and successive months, to identify a total number of individuals engaged in the 32 months for which we hold data since April 2017.

You may want to narrow the scope of your request by considering the information in this letter.

Although we are unable to answer your FOIA request, some information can be provided on a discretionary basis.

We have reviewed the data contained in the most recent data set, which represents a 'snapshot' view of the contingent labour workers engaged by HMRC in November 2019. The following information related to your question can be provided from that data set:

<i>IR35 Status</i>	<i>In Scope</i>	<i>Other*</i>
<i>Number</i>	254	959
<i>Median tenure (months)</i>	18	4
<i>Median day rate</i>	£550	£80

*\*Other includes roles determined as out of scope and roles to which the off-payroll regulations are not applicable.*

In the centralised records retained regarding the engagement of contingent labour workers the purpose of the IR35 entry is to identify those engagements to which the IR35 rules must be applied, recorded as a yes or no value. That is why the 'no' records represent out of scope determinations and those engagements to which the regulations do not apply. This includes engagements where the worker is directly engaged as a PAYE payroll employee.

It should also be noted that the 'In Scope' determinations issued as recorded here are issued on the basis a qualifying intermediary was involved. Once engaged they may prove to be engaged via an PAYE payroll scheme that leads to them subsequently falling out of scope of the IR35 rules. This can lead to discrepancies between these figures and those published in the HMRC annual report and accounts.

If you are not satisfied with this reply you may request a review within two months by emailing [foi.review@hmrc.gov.uk](mailto:foi.review@hmrc.gov.uk), or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review you can [complain to the Information Commissioner's Office](#).

Yours sincerely,

HMRC Freedom of Information Team