



Ministry of Defence

Ref: DBS/SEC [REDACTED] FOI2017/07157/

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15 August 2017

Thank you for your e-mail of 17 July 2017 to the Ministry of Defence (MOD) on contingent labour. I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

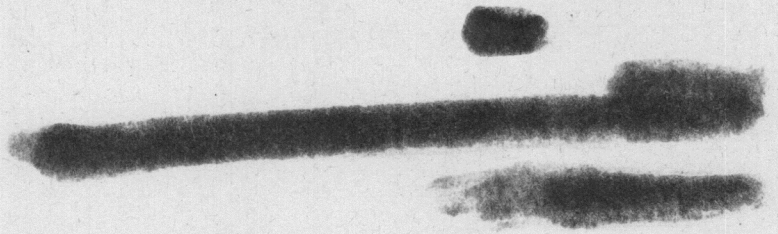
You requested the following information:

- “1) Does the MoD use Capita to source the provision of services which fall outside of IR35? Is that compliant with the CL1 framework?
- 2) The HMRC IR35 test asks whether contracts a) allow for substitution and b) confirm that no supervision is taking place. What steps do Capita and/or the MoD take to ensure that working practice matches the terms of such a contract?
- 3) If contracts allow for a) substitution and b) have no supervision taking place, are they still compliant with the CL1 framework?
- 4) Have there been any HMRC investigations related to interim staff working at the MoD since April 1 2017?
- 5) If there have been HMRC investigations what, if any, fines or other penalties were received and who was deemed responsible?
- 6) How many interim staff are currently onsite for the MoD? Of these, how many are inside IR35 and how many are outside IR35?”

A search for the information has now been completed within the Ministry of Defence, and I can confirm that some information in scope of your request is held.

In answer to Questions 1, 2 and 3, I can confirm that the Ministry of Defence uses the Crown Commercial Services Contingent Labour One (CL1) framework, provided by Capita, to source contingent labour. It is MOD policy to only source individuals who are on the payroll of a supplier. This is fully compliant with the CL1 framework.

In answer to Question 4, I can confirm that Ministry of Defence has not been directly involved with any HM Revenue and Customs investigations since 1 April 2017. However,



the Ministry of Defence would not necessarily be aware of investigations focused on an individual or supplier.

Question 5 does not apply, as there have been no investigations.

Finally, in answer to Question 6, I can confirm there a total of 436 employees in the Ministry of Defence within IR35 and three outside the scope of IR35.

If you have any queries regarding the content of this letter, please contact this office in the first instance

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

Yours sincerely,

Defence Business Services (Secretariat)

