

insight

Monthly Newsletter

January 2020

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UPCOMING EVENTS 2020

Millennium's Unit4 Financials Global
Conference **Thursday 14th May 2020**

Raising Futures Kenya Golf Day
Friday 26th June 2020



Changes coming in 2020

LEGISLATION

IR35 & THE PRIVATE SECTOR: IS TECH HIRING ABOUT TO GET HARDER?

From April 2020, the government's revised off-payroll working legislation (IR35) will apply to the private sector. By making the fee payer responsible for determining a worker's employment status, these new rules represent a significant shift in liability from contractor to hirer. Already, a succession of big-name enterprises have phased out limited company contractors in favour of permanent hires. So should your business take a similar approach?

Here's a closer look at what's changed, and at what this means for your wider hiring strategy.

IR35: the new private sector rules

IR35 is HMRC's answer to the perceived problem of "disguised employment": arrangements akin to employment where workers bill for their services through an intermediary (usually their own personal services company) purely as a means of reducing their tax and NI liability. If the arrangement falls within IR35, HMRC will tax it along the same lines as a standard employment relationship.

In 2017, the IR35 rules covering the public sector were changed to shift two key responsibilities from the worker to the hirer. From 6 April 2020, similar rules will apply to the private sector.

Here are the two main changes:

- Previously, contractors were required to determine and declare their own IR35 status. From April, this status determination becomes the responsibility of the organisation using the worker's service (the 'end user').
- If the arrangement falls within IR35, the organisation responsible for paying for the worker's service (the 'fee payer') is responsible for calculating and deducting tax and NI through PAYE. The end user and fee payer will usually be the same party; one notable exception being agency hires where the agency is responsible for paying the worker's fees.

Does the rule change apply to my company?

The new rules apply to medium and large employers, defined as follows:

Unincorporated bodies with a turnover of more than £10.2m.

Incorporated bodies (companies, LLPs, unregistered or overseas companies) where two of the following apply:

- Annual turnover of more than £10.2m
- Balance sheet total of more than £5.1m



Continued...

Your recruitment model: questions to ask

If you currently engage meaningful numbers of contractors, now is the time to review both your existing arrangements and your wider hiring practices.

For some businesses, the nuclear approach may seem tempting: to bring all existing independent contractor arrangements to an end and offer to re-engage those contractors as permanent or fixed-term employees. This means automatically taking a hit in terms of employers' NI, but it side-steps the need to evaluate the IR35 status of each and every contractor, and removes the risk of sleepwalking into non-compliance.

But does calling time on contractors actually make sense from a business perspective? Especially when it comes to bringing tech talent on board, the contract model is often a natural fit: it provides vital support for project delivery, it equips businesses to deal with fluctuations in demand, and helps to plug skills gaps - often at short notice. Rather than jettisoning the contract model completely, organisations should ask the following questions:

- Which roles is there a business case for bringing in-house?
- When, and under what circumstances is there a business case for hiring independent contractors?
- For those contractors, how do we construct the arrangement to avoid IR35 liability?

Permanent recruitment: time to take stock

GlaxoSmithKline, IBM, Lloyds Bank, HSBC and Barclays have all opted to phase out the use of contractors operating through personal service companies, mostly offering to re-engage existing contractors on PAYE terms.

The bigger the organisation, the greater the likelihood of being able to take this type of blanket approach. As well as being able to absorb the cost of adding large numbers of staff to payroll, the typical multinational tends to have considerable leverage in the recruitment market - so, isolated gripes aside, persuading contractors to stay is less likely to be an issue.

But let's say you are head of HR at a software house with 50+ permanent staff already, and a similar number of PSC contractors. Compared to a bluechip, the financial implications of adding large numbers of extra people to payroll at a stroke are likely to be much more significant. As an alternative, this may be a prime opportunity to take a wider view of your staffing strategy, review your operating model, to assess what skills you need to drive the business forward and to cut back on overlapping roles.

Will it be harder to recruit and retain after April?

In a word, *probably*: especially if you are forcing current workers and new hires to accept a status determination



they are unhappy with.

Switching contractors to PAYE can reduce their income by as much as 25%. For one thing, salaries are taxed at a higher percentage rate than dividend payments through a PSC. They will also likely find themselves out of pocket for many of the expenses they were previously claiming.

On top of the financial benefits of operating through a PSC, many workers also appreciate the freedom and flexibility that the model offers. Try to force them onto payroll and they may be inclined to walk away. For instance, one survey suggests that 59% of contractors would consider working for someone else if they found themselves caught within IR35 in their current role.

Particularly in specialist, in-demand areas such as data science and AI, firms are going to have to balance HMRC compliance, the needs of the business and the commercial realities of the recruitment market.

For example, let's say you have assessed your star data engineer's existing contract as falling within IR35 and they are uncomfortable about the idea of being added to your firm's payroll. If money is the main bugbear, is there scope for negotiating a higher rate? Alternatively, could you formulate the new, salaried role so it better aligns with this contractor's career goals? Good communication is essential here: only when you understand a contractor's specific concerns about their employment status can you start to address them.

Accessing the right help

It's important to remember that IR35 was never meant to eliminate bona fide contract arrangements. It is possible to continue to engage contractors through intermediaries and keep the arrangement outside of IR35, provided that you keep the contractor effectively at arm's length from your organisation, allow that contractor control over their working processes, ideally provide a right of substitution and do not insist on exclusivity.



MILLENNIUM NEWS

MILLENNIUM CONSULTING TO CELEBRATE 25TH ANNIVERSARY IN 2020

This year Millennium Consulting will celebrate 25 years supporting clients with Finance Transformation and Regulatory Change initiatives. Having started in 1995 as a specialist SunSystems software consultancy the company soon recognised the wider challenges of Y2K and was engaged by clients to transition them to YTK compliant software.

Since the company's inception Millennium has continued to evolve its service and technology offerings and now provides digital, cloud transformation and recruitment consultancy services for clients worldwide; key customers have included some of the biggest brands in insurance, banking, retail, enterprise technology, and consumer experience.

"I am proud to announce 2020 as the company's twenty-fifth anniversary of doing business which is an exciting year for us! I'd like to thank our clients and our global team of talented individuals, all of whom have played a key role in Millennium reaching this exciting milestone. I am looking forward to celebrating with you all in the coming year". Philip Keet, CEO, Millennium Consulting.



SAVE THE DATE U4FC 2020



We are excited to announce we have secured the date and venue for this year's Millennium Unit4 Financials Global Conference.

Our annual conference will take place on Thursday 14th May 2020 at one of the most connected locations in London, King Place, just minutes from Kings Cross station.

Official registration for tickets opens in February, with further details to follow including the agenda and keynote speakers.

Stay tuned and save the date!





RECRUITMENT

EMPLOYER BRANDING TO-DO LIST

Create candidate personas. A candidate persona is a hypothetical pen portrait of your ideal recruit. This should include their attributes (e.g. desired qualifications and skillsets), along with their motivations: i.e. what they are looking for in their next role. This helps you understand what candidates are looking for from employers, enabling you to flesh out and refine your own employer brand offering. Note, these personas should be role specific: for instance, the motivations and attributes of a machine learning engineer will look different to that of a data analyst.

Consider where candidates get their careers information and industry news. Reviewing these sources shows you what's important to candidates, helping you hit the right tone in your job spec and all other content you distribute to support your employer brand. Beyond LinkedIn, publications to look at include Dataversity, Information Management and Inside Big Data.

Encourage existing employees to leave Glassdoor feedback. Building trust is a vital part of branding, and your existing staff are your most credible and trustworthy brand ambassadors. Glassdoor is regarded as the bible for honest feedback on what companies are like to work for. In fact, the 'apply rate' for organisations with a 5-star rating is almost a third higher than those with 3 stars.

Be honest when framing your employer brand promise. It might be tempting to try and entice sought-after data engineers with promises such as market leading earnings potential, international secondment, or rapid elevation to board level. If such promises are unlikely to come to fruition, then do not make them: you are only setting yourself up for a disgruntled hire and the need to re-advertise the role in the near future.

Be consistent. Let's say your job advert states that you are already transforming customer care through data-driven insights and AI-powered technology. It also suggests that you encourage flexible working. The problem is that none of this is backed up in your Website About and Careers pages, LinkedIn profile or indeed anywhere else. Make sure your message is coherent and non-contradictory across all channels, otherwise your employer brand message will lack credibility.

To help you attract and secure talent across Data Science, Machine Learning and AI we have created a guide covering key areas including Employer branding, Role formulation, Advertising, Sourcing, Assessment, and Onboarding. Download your free copy at www.millenniumresourcing.com





SOFTWARE

ERP IMPLEMENTATION: HOW TO CREATE THE MODEL TEAM

When it comes to ERP deployment, who exactly does what? Read on to discover the skills you'll need to bring on board for the smoothest possible implementation...

The promise of Enterprise Resource Planning (ERP) software is a compelling one. In an ideal world, the right ERP solution means no more workplace resource decisions made on a hunch. Instead, businesses are able to take a joined-up, data-driven approach to resource planning: one that's aligned to the organisation's financial goals, and which takes into account what's happening on the ground.

95% of businesses benefit from an improvement in their processes after ERP implementation. At 68%, average customer satisfaction levels are also very high. So far, so good: but that's not to say that deployment and implementation is totally risk-free. After all, this is the type of software that draws on data from all corners of your company, helping to reshape multiple business processes - so there is plenty of scope for potential 'teething troubles'!

To reap the full benefits of ERP, to keep disruption to a minimum and to ensure buy-in from across the organisation, you need a strategy - and you also need the right people involved. With this in mind, here are the challenges to be aware of, and who to include in your implementation team...

ERP Challenges

Internal hardware limitations

Trying to run next-gen software on underpowered systems is a frustrating experience. Internal networks, servers and other hardware need to be assessed prior to deployment, and updated where necessary. Cloud deployment can be an effective way of mitigating issues associated with limited existing hardware and storage capabilities.

Choice of ERP system

When businesses are asked what they want from a system, ease of use, overall functionality and total cost of ownership tend to top the list of concerns. The ability to customise is also important: especially for functionality relating to manufacturing and logistics, where the modules will ideally need to be adapted to mirror the unique processes you have in place.

Data quality

This is particularly relevant where legacy data is set to be deployed in an ERP system for the first time. You need to ensure the accuracy and integrity of that data, to avoid poor integration and to ensure your people can trust the numbers once the system goes live...



ERP IMPLEMENTATION: HOW TO CREATE THE MODEL TEAM Continued...

Employee buy-in

Unless staff understand the purpose of the new system, it can be difficult to convince them to put it to work. Clearer inventory management, more accurate assessment of staffing needs, easier reporting, greater scope for cross-department collaboration: make sure your people are aware of the positive difference ERP is going to make.

Meeting the challenge: who to include in your ERP implementation team

Project manager

The project manager defines the steps necessary to execute the ERP implementation and ensures all relevant tasks are covered to keep the project on-time and on-budget.

For this, the PM should have a solid working knowledge of the specific software being put into place. Bear in mind that your new ERP system will be effectively integrating all departments of the business, from production and quality control through to HR. The role therefore demands a thorough understanding of how these departments operate, how information flows between them (understanding the personalities involved helps, too!).

Data engineer

Prior to migration, data engineering input is likely to be required for the purposes of data cleansing, including the removal of suspect records and reformatting where required.

Data analyst

An analyst should have a leading role in testing the ERP layout to ensure the system meets your organisation's specific needs. This person should also be well placed to make recommendations for optimal configuration and (where necessary), system customisation.

Post-deployment, your head analyst should regularly assess the effectiveness of the system and advise on optimisation. Liaising with stakeholders is essential here: your analyst should check in regularly with users from other departments to ensure your new ERP is continuing to meet the needs of people on the ground.



Application developer

The typical ERP system tends to come with A LOT of configuration options: just one of the reasons why detailed knowledge of the product is necessary to get the most from it.

That said, to ensure it matches your unique processes, you may need to go beyond system configuration and actually build in additional functionality.

Time to partner up...

You would never settle on an actual ERP package without giving careful consideration to your options. Likewise, your choice of implementation partner is crucial, too - not least, because of the product-specific knowledge demanded to make the project a success.

- To help you choose wisely, we'd suggest asking yourself the following questions:
- Does the consultancy have experience in deploying the full range of market-leading ERP packages - or are they tied to a particular vendor?
- Are they able to understand our business and grasp our way of doing things?
- Can they advise on configuration - and assist with customisation where necessary?

Is there a well-worked installation plan, including help with data cleansing - to ensure minimal business disruption?

Is there role-specific training available to ensure end-users get up to speed as swiftly as possible?

Are you considering a first-time ERP implementation - or looking to update your existing system? Are you weighing up different packages? Need help with filling skills gaps? Speak to Millennium Consulting today.



PROJECT SPONSORSHIP

COMMITTED AND EFFECTIVE SPONSORSHIP; THE KEY TO TECHNOLOGY IMPLEMENTATION SUCCESS

When an organisation starts a new initiative or program it's essential there is an influential sponsor or backer available to play an active part, provide support, promote the initiative and assign the resources needed to ensure it's a success. But who would want to be a project sponsor as when things go well they rarely receive the credit and recognition they deserve? However, if things don't go according to plan then the finger of blame is normally pointed in their direction and they typically pay the price and their career may be adversely impacted.



The role of backer or sponsor is crucial and without someone committed to running the program and being actively involved then it runs the risk of failure. Technology change programs in particular, require a Senior Executive to be responsible for ensuring they are successful. The Project Sponsor will normally be a senior Executive from within the organisation, often at or just below Board level who will actively drive the program and provide the link between the delivery team and the Board of Directors. They will need to possess authority and influencing powers to promote the change to the wider organisation, ensure the delivery team has the financial and personnel resources needed and that the necessary controls are in place to ensure it is delivered successfully within the planned timescales and budget.

Large scale change programs may encounter resistance, so the Sponsor needs to ensure there is buy-in and acceptance within the organisation. Strong communication skills and the ability to influence are vital because even with the best business case, resistance to change can lead to project failure. The PS will need to lead the change and support the project manager and their team navigating the organisation's political terrain. They will provide high level project backing, act as an escalation route for the Project Manager, arbitrate/resolve conflicts should they arise and communicate project closure and the outcome to the organisation,

Their responsibilities include; preparing the project brief and the Project Initiation Document (PID); appraising technology options and submitting them to the Board of Directors for approval; ensuring an appropriate project or programme management framework is in place e.g. Prince 2, Agile, Waterfall etc; securing internal project resources and external expertise as necessary; arranging and chairing regular Project Steering Board meetings; liaising with affected department stake holders; determining and managing project risk; controlling the budget including allowing for contingent risk; co-ordinating and fostering a project team ethos; evaluating the performance of the project manager; establishing a formal project reporting structure; defining project control and management criteria; supporting the project manager with problem resolution and reviewing project update reports.

The Project Sponsor will act as a single point of contact with the project manager for the day-to-day management in the interests of the organisation. They will need to have sufficient knowledge of the organisation and the program to make informed strategic and operational decisions. The Sponsor should be able to apply quality management principles and processes; apply risk assessment and management principles and processes; network effectively; negotiate effectively and apply influence; broker relationships with key stakeholders within and outside the project; be aware of the broader perspective and how external factors may impact the project.

Project sponsorship is not a spectator sport and it is essential that the Sponsor is actively involved and committed to the successful delivery of the project. They should have the authority to make the majority of the key decisions and will act as project champion to ensure the expected outcome is delivered. With a strong effective Project Sponsor in post then there is every likelihood that the change program will be a success.



POLITICS

BREXIT DAY

Britain will be leaving the European Union on Friday 31st January after Boris Johnson's Brexit deal was given its final seal of approval.

British MEPs will be packing up their offices in Brussels and millions of new coins will go into circulation promising "friendship with all nations" as the UK exits the bloc at 11pm on the 31st.

There were emotional scenes in the European Parliament on Wednesday as MEPs voted by 621 to 49 in favour of the Withdrawal Agreement and linked hands to sing a final chorus of Auld Lang Syne. Brexit Party leader Nigel Farage had his microphone cut off during a fiery departure speech in which his party's MEPs cheered and waved union flags as he said the UK was "never coming back". He said: "The book is about to close and we are going to leave in 48 hours and that is for me, in a way, the achievement of my lifetime political goal."

However for many MEPs, who have long wanted Britain to stay, it was a moment of deep regret. Addressing the parliament, European Commission President Ursula von der Leyen said she was determined the EU and the UK should remain "good friends and good partners". "We will always love you and we will never be far away. Long live Europe," she said.

The parliament's Brexit co-ordinator Guy Verhofstadt said the departure of a country which had "twice given its blood to liberate Europe" was a "sad" moment. He predicted that the UK would eventually rejoin, with many British people deeply unhappy at the prospect of leaving.

"So this vote is not an adieu, this vote, in my opinion, is only an au revoir."

Mr Verhofstadt poured scorn on claims by supporters of Brexit that it would mean Britain recovering its sovereignty. "What is in fact threatening Britain's sovereignty most - the rules of our single market or the fact that tomorrow they may be planting Chinese 5G masts in the British islands?" he said.

The vote in Brussels follows the completion last week of the passage of the Withdrawal Agreement Bill through the British Parliament at Westminster.

The agreement settles the terms of Britain's departure, including future citizens' rights, the arrangements on the Northern Ireland border and the UK's divorce

settlement. It also allows for an 11-month transition period, during which the UK will continue to follow EU rules while talks take place on a free trade agreement.

Mr Johnson has said he wants a comprehensive deal - covering all aspects of Britain's future relationship with the EU, including security - by the end of the year. He has been adamant he will not contemplate any extension of the transition period beyond the end of 2020. However, senior EU figures have repeatedly warned that reaching such a wide-ranging agreement will not be possible within such a tight timetable.

To commemorate the long-awaited and much delayed Brexit, several events will be organised across the UK as the country cuts the cord with Brussels.

Downing Street will illuminate the black bricks of 10 Downing Street with a light display intended to symbolise the strength and unity of England, Scotland, Wales Northern Ireland. Buildings around Whitehall will also light up as the Union Jack flag flies on every flag pole in Parliament Square.

A countdown clock will also be projected onto the Prime Minister's residence from 10pm to mark the last hour of the UK's membership of the EU.

PM Johnson will deliver a special address to the nation to mark the historic Brexit Day, in which he will reportedly ask the public to grasp the opportunity they voted for in the Brexit referendum.





Continued...

He will also place emphasis on “unleashing the enormous potential of British people” as the country embarks on a new chapter. The PM will urge people to “come together and move forward united.”

He will add: “We will mobilise the full breadth of our new freedoms - from encouraging technology and innovation to signing new free trade deals around the world.

Treasury chancellor Sajid Javid has unveiled a

commemorative 50p Brexit coin to celebrate the UK's departure. Bearing the inscription “Peace, prosperity and friendship with all nations”, the coin also has the date 31 January inscribed on it. Around 3m Brexit coins will enter circulation around the UK, with a further 7m following later this year.

However the coin is being boycotted by a large number of Remainers, including Alistair Campbell and Lord Adonis. The government was forced to melt down 1m 50p Brexit coins featuring the wrong departure date last year when the 31 October date was delayed.

Brexit Party founder Nigel Farage will be holding a Brexit Day celebration, billed as a once-in-a lifetime party, in Parliament Square between 9pm and 11pm, hosted by the Brexit campaign “Leave Means Leave”. Speakers will include Ann Widdecombe, Wetherspoons boss Tim Martin, Julia Hartley-Brewer and Brexit Party chair Richard Tice.

One thing that won't be happening is Big Ben bonging in Brexit at 11pm. Brexiteers raised £270,000 after officials said it would cost £500,000 to arrange for London's famous bell to chime but the House of Commons authorities refused to sanction government funding to pay for the bongs. Organisers of the fundraiser, “StandUp4Brexit”, failed to convince the authorities to accept the public's cash instead.

British pub chain Wetherspoons will slash the prices of 10 pints on Brexit Day. Boss Tim Martin will also cut the prices of EU drinks like Becks, Peroni and Estrella from 31 January until 29 February. All Wetherspoons pubs will run the promotion, as Martin said: “Many of our customers are keen to celebrate Brexit. At the same time we want to remain friends with our European neighbours and offer a range of drinks at an excellent price.”

Here are some of the most significant things that will be different from 1 February.

- The UK will no longer be an EU member state – the EU will become a union of 27 rather than 28
- The UK will no longer have any MEPs – those elected in May 2019 will no longer sit in the European Parliament
- The UK will no longer have a European commissioner – Julian King will go down as the last UK Commissioner
- PM Boris Johnson will stop attending European Council summits
- British ministers and officials will not attend other Council meetings
- UK judges will no longer sit at the European Court of Justice
- EU law will continue to apply to the UK, not as a member state but via the Withdrawal Agreement, during the transition period
- The UK will be able to negotiate and sign trade deals with other countries (but it can't implement them yet)
- EU member states may refuse UK extradition requests for their citizens
- Formal interactions with EU will take place through a new body called the UK-EU Joint Committee – whose main job will be to oversee the implementation and application of the Withdrawal Agreement





**Millennium's Unit4 Financials Global Conference
Thursday 14th May 2020**

Our annual conference will take place on Thursday 14th May 2020 at one of the most connected locations in London, King Place, just minutes from Kings Cross station.

Official registration for tickets opens in February, with further details to follow including the agenda and keynote speakers.



**Raising Futures Kenya Golf Day
Friday 26th June 2020**

Golfers are invited to join us for the 2020 Raising Futures Kenya (formerly Vision Africa) Golf Day. For further information please contact sam.guilding@millenniumconsulting.co.uk