

REPORT on a MEETING between
N.F.U.S. and S.P.T.A. representatives
at 17 Grosvenor Crescent, Edinburgh
at 3.30 p.m. on Wednesday, 16th
JANUARY, 1985.

PRESENT: N.F.U.S. - Messrs. T.J. Brady and J. White (Asst) joined later by Mrs. J. Armstrong.

S.P.T.A. - Messrs. J.E. Cook, R. Doig, K.A. McKenzie and G. Smillie with Messrs. R.D. Hunter (Secretary) and D. Blackmore (Assistant) in attendance.

DISCUSSION: Responding to Mr. Brady's welcome (and apology on behalf of Mr. John Hay) Mr. Hunter thanked NFUS for agreeing to SPTA's request for discussion of PAYE and NHIC aspects of casual labour. He explained there is considerable disquiet among SPTA Members and pressure for an active response to an Inland Revenue investigation of potato merchants' casual wages records. It was this Revenue initiative which had brought the problems back up to the surface. SPTA's response first sought any fresh information NFUS may have on what is, after all, very much a problem common to both Organisations.

In reply, Mr. Brady first asked that information disclosed during today's meeting be treated in strict confidence, for reasons which would become apparent. NFUS with NFU had held further meetings with the Inland Revenue and the DHSS as part of a long, continuing process. He explained the changed background meant the present position is very highly political. While the Revenue had sought to withdraw the "Farmers' Guide" provisions and use only the "Employers' Guide", the Unions had secured retention of the "Farmers' Guide" with the inclusion of a "daily casual" concession.

He defined a daily casual as "a worker employed for a period not exceeding one day, whose employment ends when he is paid off in cash at the end of that day with no agreement for further employment". This can be added to either end of the two-week "harvest period" concession. Only if such a worker's wages exceed £100 is the Inland Revenue required to be notified on the appropriate form at the end of the year and the Revenue is responsible for collection of any tax due from the worker.

Mr. Brady also explained that NFUS re-opened discussions to try to secure alleviation of particular problems in raspberry harvesting. It became clear the Revenue was not going to concede anything, that Tax law was to be applied and individual composite tax rate negotiations were rejected. NFUS appealed right up to Chancellor level without success. NFUS did reach an "understanding" with East Kilbride but this cannot be publicised. Communication by word of mouth only has created enormous problems both within NFUS and within the Revenue and DHSS.

Having reached this point and in the current political climate, the NFUS view after the most careful consideration is that no further progress can be made and any further attempt would cost more than would be won. Mr. Brady distributed copies of an NFUS circular letter to its branches dated March, 1984 the terms of which had the prior agreement of the Revenue and the DHSS.

Messrs. Smillie, Doig and McKenzie all reported their own experiences with examples during the current investigations being carried out by eight Inspectors from the Revenue's Dundee office into all grower-Merchant businesses within their area. It was clear that while PAYE tax had been indicated to be comparatively less onerous, recovery of NHIC contributions is to be pressed "up to the hilt". The Inspectors had also stated that all potato Merchants will be investigated without exception. Mr. Doig added that while the Association's/

Association's past policy had been to avoid bringing the issues out into the open, this was allowing the Revenue to pick the Merchants off now, one by one. He was also concerned that different practices are operating in different districts.

Mr. Brady felt that the examples given indicated that the Dundee Inspectors were not aware of the NFUS/East Kilbride "understanding" and he was surprised to hear of the emphasis being placed on NHIC, which had not been a problem in his own experience for nearly two years past. Mrs. Armstrong suggested the NFUS might seek an explanation from East Kilbride for the Dundee Office's initiative and its apparent discrimination. Mr. Brady preferred an individual case approach and asked to be provided with copies of letters, etc. to this end. Messrs. Doig and Smillie agreed to provide these.

During further detailed discussions, Mr. Brady explained that the Revenue will not accept that berry-pickers are self-employed and that even though some casual workers may be "identified" for tax purposes, this does not necessarily mean that they cannot be "irregular" casuals for DHSS purposes. He also stressed that as well as being only communicable by word of mouth, application of the "understanding" cannot be demanded or guaranteed and he repeated his offer to do what he can to help in each case where he is provided with copies of letters, etc.

Mr. Hunter thanked Mr. Brady for his frank disclosures and explanations which had increased SPTA's knowledge and understanding of the present position. This having been the purpose of SPTA's request for discussions, he expressed the Association's appreciation.

The Meeting then concluded.