

**Provision of health professionals, nursing auxiliaries, care assistants and support workers  
by employment businesses**

*Revenue & Customs Brief 12/10*

HMRC have released a Brief on the provision of health professionals, nursing auxiliaries, care assistants and support workers by employment businesses. The purpose of the Brief is to 'clarify our policy' on the VAT treatment of such supplies.

The Brief sets out the basic VAT position that staff supplied by an employment business, where that person comes under the direction and control of the client, is a supply of staff. This is regardless of whether the person is an employee of that business, or self-employed and engaged by the employment business. The employment business must therefore account for VAT where appropriate on the full charge to the client.

The Brief goes on to add that if the employment business maintains the direction and control of its staff to make a supply of welfare or medical services directly to the final consumer, HMRC would see it as providing health or welfare services rather than merely a supply of staff. In such circumstances and subject to certain relevant criteria, HMRC would consider this as making an exempt supply of welfare or health services.

The Brief then goes on to look at more specific types of supplies of

- Supplies of registered health professionals (other than nurses, midwives and community public health nurses)
- Supplies of locum GPs
- Supplies of nurses, nursing auxiliaries and care assistants by state regulated agencies (detailing the nurses agencies concession)
- Supplies of contracted out services

The Brief finally includes a paragraph on the wording of the terms and conditions of agreements stating that they are "aware that some employment businesses state in their contract terms that their staff are still working under their control and direction rather than the third party to which their staff are being supplied". HMRC add that such businesses are no longer acting as an 'employment business' within the definition of the Employment Act 1976 and that the VAT liability of a supply is not determined conclusively by the terms of any contract or other documentation alone.

Click [here](#) to read the brief in full.

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