

Review of Employment Practices in the Modern Economy

Written evidence from the Recruitment & Employment Confederation (REC)

1.0 Executive summary

- 1.1 The Recruitment & Employment Confederation (REC) is the professional body for the UK's recruitment industry, representing over 3,000 employment agencies and employment businesses.
- 1.2 Jobs transform lives. Every day our members are placing people into both permanent and temporary jobs. On any given day, there are 1.2 million agency workers on an assignment and since the recession, UK recruitment businesses have helped over 4 million people find a new permanent job¹. The UK's dynamic recruitment industry is a major reason why our labour market has outperformed the vast majority of our international competitors over the last few years.
- 1.3 The UK currently has a record number of people in work and a falling unemployment rate². However, we believe that quality is important as quantity, which is why we ensure all our members abide by our Code of Professional Practice (see Appendix 2) and operate a strict compliance operation³. It is also why we started the Good Recruitment Campaign which encourages good recruitment practice amongst employers, and now has over 220 signatories, who have signed the Good Recruitment Charter (Appendix 3) including brands such as Santander, Kellogs, and Morrisons⁴.
- 1.4 We welcome this review and believe it to be long overdue. The world of work is changing and the law needs to keep pace. It is critical that any recommendations ensure the continuation of the UK's much envied flexible labour market, allowing people to work in the ways that suits them, while also ensuring they are protected, supported and empowered. This can be achieved through a greater awareness of the rights that workers already have through education and communication, ensuring that current regulations are fit for purpose, providing more support for the self-employed, and through better training and reskilling opportunities for temporary workers. We make the following recommendations to the review on those themes.

1.5 Key recommendations:

Rights and entitlements

1. The government should run a bespoke awareness raising campaign on employment rights for all non-permanent workers. We would welcome our [factsheet](#) to be used as part of an agency worker campaign, and as a potential model for other categories of worker.
2. The government should consider providing more support to the self-employed and gig workers especially in relation to maternity/paternity support, pensions and mortgages.
3. Jobcentres should be considered as a venue to get free tax and mortgage advice for those working on anything other than a full-time permanent job.

Compliance and enforcement

4. There should be a full funding review of the Employment Agencies Standards Inspectorate to ensure it is sufficiently resourced for the modern labour market.

¹ Recruitment & Employment Confederation (REC), Recruitment Industry Trends Survey 2014/15

² Office for National Statistics (ONS), Statistical Bulletin: UK Labour Market: April 2017

³ See <https://www.rec.uk.com/membership/compliance>

⁴ See <https://www.rec.uk.com/good-recruitment-campaign>

5. The government should recognise the value of self-regulation and work more closely with professional bodies to tackle non-compliance.
6. The Conduct of Employment Agencies and Employment Businesses Regulations 2003 should be updated to cover umbrella companies and relevant digital work platforms.
7. Joint guidance from HMRC and BEIS should be issued on umbrella companies to explain what is expected of them in terms of compliance and enforcement, as well as clarifying who is the employer in different scenarios.
8. HMRC should increase their enforcement activity around new umbrella models which are found to be non-compliant.
9. The review should highlight examples of best practice by employers who effectively manage their labour supply chain. The REC can support this through examples from our Good Recruitment Campaign.
10. End-clients should have greater oversight of the whole supply chain by reporting on how they have ensured good practice similar to the Modern Day Slavery Act reporting requirements.

Skills and progression

11. The concept of work experience while still in education should be re-examined to ensure it is suitable for today's labour market and the needs of businesses.
12. Careers advice should be afforded a guaranteed slot in the school curriculum along with resources to deliver this effectively.
13. The government should create clear progression routes to help workers know how best to progress in their career.
14. The government should recognise the positive role employment agencies and businesses provide in career progression and work collaboratively with the sector to ensure a greater level of progression and removal of barriers to progression for agency workers.
15. Apprenticeship Levy payments made by employment businesses should be used to create a specific fund to support the training of agency workers.
16. The regulation restricting the use of exclusivity clauses for agency workers in the Conduct of Employment Agencies and Employment Businesses Regulation 2003 should be reviewed.

2 Introduction: the structure of the labour market – what are modern employment practices?

2.1 The vast majority of the UK working population are in full-time permanent jobs. The percentage of permanent employees was 79 per cent in 2016, which is almost exactly the same proportion as ten years previously in 1996⁵.

2.2 However, more and more people are choosing to work flexibly. REC research⁶ has found that more than one in three people (36 per cent) in Great Britain have worked on a temporary basis at some point in their working life and 28 per cent of people have used an agency to get work as a temporary agency worker, contractor or freelancer. The notion of a 'job for life' and a '9-5' workday are starting to be challenged and flexible work is gaining ground.

2.3 Rise in self-employment

2.3.1 The greatest rise in non-traditional forms of work over the last 20 years has been in self-employment. According to the Resolution Foundation⁷ self-employment has accounted for 45 per cent of all employment growth since 2008.

2.4 Growth in the Gig Economy

2.4.1 In our research *The Gig Economy: the uberisation of work (2016)*⁸ we demonstrated how digital platforms are accelerating this trend towards flexible, project-based employment and this is set to continue. We found that while just 6 per cent of British businesses currently recruit using digital work platforms, 29 per cent say it is likely that digital work platforms will become more important to their businesses in the next five years. The RSA believe there to be 1.1 million people working in Britain's gig economy⁹. This is almost equivalent to the current number of agency workers in the UK, which we estimate at 1.2 million¹⁰.

2.5 Temporary agency workers

2.5.1 Whereas the number of self-employed and gig workers has increased exponentially, the number of agency workers has remained mostly static only with a slight reduction in the recession (see figure 1).

⁵ CIPD, *To Gig or Not to Gig Stories from the Modern Economy*, 2017

⁶ REC, *Flex Appeal*, 2014

⁷ Resolution Foundation, *A tough gig? The Nature of self-employment in the 21st Century Britain and policy implication*, 2017

⁸ REC, *The Gig Economy: the uberisation of work*, 2016

⁹ RSA, *Good Gigs: A fairer future for the UK's gig economy*, 2017

¹⁰ REC, *Recruitment Industry Trends Survey 2014/15*

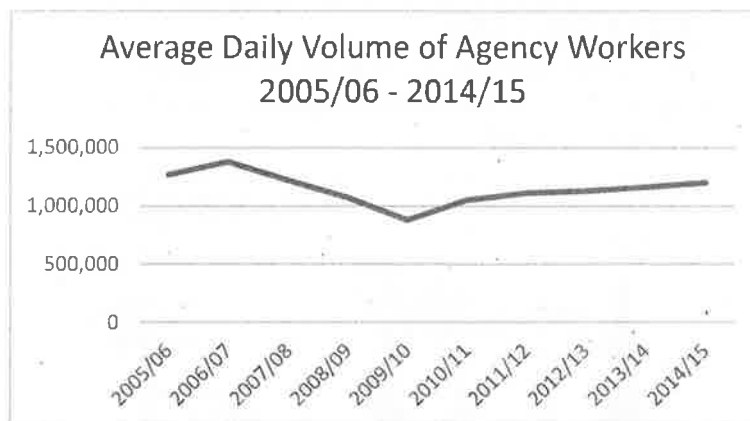


Figure 1 – The Average Daily Volume of Agency Workers from 2005/06 – 2014/15¹¹

2.6 Why do businesses use agency workers?

2.6.1 The positive benefits of temporary agency work to the labour market, and to UK plc, are clear and widely acknowledged. They include:

- managing fluctuations in demand;
- covering leave or absences;
- responding to growth;
- allowing employers to trial a candidate;
- reducing the cost of a hire;
- managing uncertainty;
- and increasingly, to plug skills and labour shortages.

2.6.2 The REC & ComRes' monthly survey of employers, Jobs Outlook, asks what importance temporary agency workers play in their organisation (figure 2)

¹¹ HC Deb, 14 April 2016, cW

IMPORTANCE OF AGENCY WORKERS TO EMPLOYERS

How important would you say that temporary agency workers are for your organisation in terms of the following?

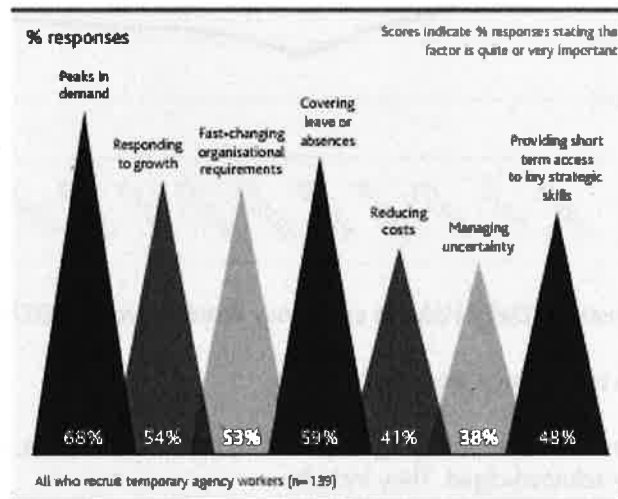


Figure 2- the relative importance of agency workers to businesses for different reasons¹²

2.6.3 In April 2017:

- two thirds (68 per cent) of employers stated agency workers help them to meet peaks in demand
- six in ten (59 per cent) stated agency workers are used for covering staff leave and absences
- just under half (48 per cent) said agency workers provide short-term access to key strategic skills¹³.

2.6.4 When this is compared with the closest comparable data a year previously in June 2016, more employers used agency staff to manage peaks in demand (71 per cent), more (67 per cent) used staff to cover leave and absences and more (53 per cent) used agency staff to provide short term access to key strategic skills. Furthermore, whereas last year 52 per cent of employers reported using agency staff to reduce costs, this has now reduced to 46 per cent, and previously, 46 per cent had used agency staff to respond to growth, but 54 per cent are now doing so¹⁴.

2.7 Why people work on a temporary basis

2.7.1 The positive and empowering reasons that individuals choose to work in this way are often overlooked. Our research *Flex Appeal (2014)*¹⁵ found that the reasons why people choose to work on a temporary basis are varied. In a survey of over 4,000 British adults, we found the most common reasons are: to look after children / other family responsibilities, to pursue other interests, to find work and earn money as quickly as possible, to gain experience in a new area of work, to scale-back work obligations when approaching retirement, and to

¹² Taken from [REC/ComRes JobsOutlook, April 2017](#)

¹³ [REC/ComRes, Jobs Outlook, April 2017](#)

¹⁴ [REC/ComRes, Jobs Outlook, June 2016](#)

¹⁵ [REC, Flex Appeal, 2014](#)

supplement regular income. Temporary work also allows those who cannot find permanent work to still work, and to gain valuable work experience as a pathway to permanent employment.

2.7.2 The REC recently worked with the National Institute of Economic and Social Research (NIESR) on the motivations of agency workers in the public sector (specifically supply teachers and agency nurses). The research found that none of the workers they interviewed said they lacked the option of permanent employment and many decided to work this way in a desire for flexibility and a greater work-life balance¹⁶. Even if offered the opportunity to work in a full-time capacity, the public sector workers interviewed by NIESR said they would not be interested in taking the job.

2.7.3 While some commentators have said that agency workers take a pay penalty, our data shows that only 14 per cent of UK employers say that their temporary agency workers earn less than they would if they were permanent whereas six in ten UK employers (61 per cent) say that their temporary agency workers earn the same pay rates they would do if they were permanent and one in five (19 per cent) say they actually earn *more* than they would if they were permanent. This is even higher in London and the public sector, where 34 per cent of employers say that agency workers earn more by working through an agency¹⁷.

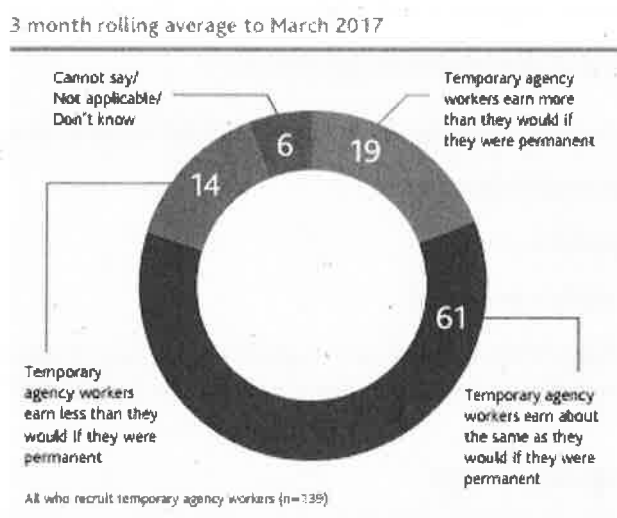


Figure 3 – pie chart showing data from employers on pay of agency workers compared with permanent workers¹⁸

2.7.4 The government should not limit people's ability to work in different ways, but ensure they are making an informed choice. This review should find a way to ensure that temporary workers are supported, motivated and well trained, which will benefit not only the individuals but also employers and the wider economy through greater productivity levels. We make recommendations in this report which aim to help achieve this.

¹⁶ NIESR, Use of Agency Workers in the Public Sector, Report to the Office of Manpower Economics (OME), 2017

¹⁷ REC/ComRes, Jobs Outlook, April 2017

¹⁸ REC/ComRes, Jobs Outlook, April 2017

3 Rights and entitlements – what exists now and what needs to change?

3.1 Protections afforded to agency workers

- 3.1.1** Agency workers do not have a specific employment status. The term “agency worker” references an individual who is supplied to work under the supervision and direction of another party. Often agency workers are erroneously referred to as having minimal rights and entitlements, however, the reverse is true.
- 3.1.2** The rights of an agency worker are determined by their employment status, which in turn is dependent upon the contract in which they are engaged. An agency worker engaged under a ‘worker’ contract (most commonly a contract of services) will have all the same rights as other workers. Additionally, regardless of their contract (e.g. a contract of employment or a contract of services), and by virtue of the fact that they are supplied to work through an intermediary, they are protected by certain legislation and therefore have additional rights and entitlements. On top of the entitlement they have through their employment status, agency workers are also protected by the following legislation:

a) Employment Agencies Act 1973 and the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (*the Conduct Regulations*)

These regulations ensure that agency workers are entitled to:

- a written document setting out the terms and conditions before services are provided
- confirmation of their employment status
- freedom to work elsewhere
- the right to be paid without deduction
- the right not to be charged fees to find work, or anything that can be construed as a work-finding fee (We provide more detail on what this means in practice in the REC/HMRC Living Wage Guide¹⁹).

b) Agency Workers Regulations 2010

The Agency Workers Regulations 2010 guarantee agency workers:

From Day 1:

- The same access to facilities such as staff canteens, childcare facilities and transport services, as comparable to permanent employees
- The right to be informed of any job vacancies available.

After a 12 week qualifying period:

- Equal pay as a permanent employee doing the same job.
- Equal treatment as permanent employees with regards to rest breaks, holiday entitlement and working time.

¹⁹ https://www.rec.uk.com/data/assets/pdf_file/0009/356742/National-Living-Wage-Guide.pdf

- Time off for ante-natal appointments.

c) The Gangmasters (Licensing) Act 2004 (for agencies operating in the agriculture, horticulture, and shellfish sectors)

The Gangmasters (Licensing) Act 2004 established the Gangmasters Licensing Authority (GLA) which was set up to operate a licensing scheme for labour providers and employment businesses operating in the agriculture, horticulture and shellfish sectors. It requires all who supply labour to these sectors to possess a license. It is an offence to act as an unlicensed gangmaster or for a business to use an unlicensed gangmaster. The GLA operate stringent licensing standards. These cover areas such as terms and conditions, health and safety, working hours, training, national minimum wage rates, transport, accommodation, and the sub-contracting and use of other labour providers.

3.1.3 Tax status of agency workers

3.1.3.1 Agency workers also have a specific tax status as 'employed earners' which means that for the purposes of certain statutory payments they are treated as employees, even if they do not work under a contract of employment. This tax status ensures that agency workers are entitled to the following:

- Statutory Sick Pay
- Statutory Maternity/Paternity/Adoption Pay
- Statutory Shared Parental Leave.

3.1.3.2 Any calls for a change to tax status categories should be carefully considered so that they do not lead to a lessening of the rights already afforded to some workers. Instead, the focus should be on better communications of the rights already available.

3.2 Agency workers need to be better informed of their rights

3.2.1 Given the regulations listed above, it is clear that agency workers are well protected under current legislation in comparison to workers who do not work through an intermediary. They are especially well protected in comparison to the growing number of self-employed and gig workers, who have very few entitlements. Agency work allows for individuals to work flexibly while also entitling them to certain benefits, such as written terms and conditions, holiday pay and maternity pay. It is therefore unfair to group agency work in the same category as the wider gig economy.

3.2.2 Whilst agency workers have many rights and entitlements, this is often not appreciated by the general public, journalists, job centre officials, employers, and even amongst agency workers themselves. We believe this is partly due to the fact that there are a number of different pieces of legislation that determine agency worker rights and it can be a complex area to navigate. It could also be because agency workers do not have their own employment status.

3.2.3 Furthermore, when an agency worker feels they have been mistreated they may not always know where to turn - often not knowing about ACAS or the Employment Agencies Standards Inspectorate (EAS). In order to provide a practical solution to this problem, the REC have recently produce a factsheet entitled '*Agency Workers: Know Your Rights*' (Appendix 1).

- 3.2.4 This brings together all the relevant legislation and, in plain English, explains the rights of agency workers. This also includes information on who to contact if the worker believes they are not receiving their entitlements, directing workers to the REC (for complaints against our members), ACAS and EAS helplines. We hope this factsheet will go some way in increasing awareness of agency worker rights and we have invited all our members (representing over 80 per cent of the recruitment industry by value) to promote this factsheet to their workers.
- 3.2.5 But our reach only extends so far. The government should also update their guidance on agency workers to ensure it is as clear and understandable as possible. This should also be more widely publicised, along with the contact number for the EAS.
- 3.2.6 Recommendation 1: The government should run a bespoke awareness raising campaign on employment rights for all non-permanent workers. We would welcome our [factsheet](#) to be used as part of an agency worker campaign, and as a potential model for other categories of worker.

3.3 More support needed for the self-employed

- 3.3.1 There are almost 5 million self-employed individuals who have little to no employment protections, unlike agency workers, whose rights are listed in the factsheet in Appendix 1. Therefore, we very much agree with the sentiment of the Dean Review (2016) that *"Government should consider extending support to the self-employed in areas where there is discrepancy between support for the self-employed and support for employees"*²⁰.
- 3.3.2 We looked into how more support can be provided for the self-employed and those working in the Gig Economy in our reports *Flex Appeal: Why Freelancers, Contractors and agency workers choose to work this way* (2014) and *Recruitment and Employment Confederation and The Gig Economy: the uberisation of work* (2016) and urge the review to consider the recommendations of these reports.
- 3.3.3 Recommendation 2: The government should consider providing more support to the self-employed and gig workers especially in relation to maternity/paternity support, pensions and mortgages.
- 3.3.4 Recommendation 3: Jobcentres should be considered as a venue to get free tax and mortgage advice for those working on anything other than a full-time permanent job.

²⁰ [Self-Employment Review, An independent report by Julie Dean OBE, February 2016](#)

4 Compliance and enforcement – where should we focus?

4.1 Licensing – a failed experiment?

- 4.1.1 When Lord Henley, the then Minister for Employment, presented the Deregulation and Contracting Out Act (1994) to the House of Lords, commenting on the licensing mechanism for employment agencies and businesses at the time he said that:

*"a licensing system which does not itself protect agency users can no longer be justified"*²¹.

- 4.1.2 The licensing system introduced in the Employment Agencies Act 1973 was found to not be serving its original purpose but was instead creating an unnecessary burden and cost on the "vast majority of worthy, reputable and honest agencies"²². Lord Henley then went on to highlight this through the previous year's statistics: in 1993, there were 4,513 licence applications, with 301 representations made against these and out of these, not a single representation resulted in a refusal²³. The government acknowledged at the time that the majority of serious breaches of law, which were relatively few and far between, were committed by licensed agencies and that licensing itself did not guarantee future good behaviour²⁴. **Thus, licensing added a cost to government without generating a return on investment.**

4.2 The current regulatory environment

- 4.2.1 Since the abolition of licensing, the regulation of recruitment agencies has been undertaken by the Employment Agencies Standard Inspectorate (EAS) which enforces the Employment Agencies Act 1973 and the Conduct Regulations 2003. We fully support the work of the EAS and believe the current compliance mechanism works well. However, we have been concerned for a number of years that there has been insufficient resource available to the inspectorate and that this must be reviewed if the regulations are expanded in the way we, and others, recommend. There are increasing numbers of people working through different types of employment intermediaries, such as digital apps and umbrellas, and in large part, these organisations are often working in just the same way as a traditional employment business – it is simply their approach (using online rather than face to face) which differs and as technology continues to advance and we all become digital natives, this is set to increase further. This would require further resource and investment. However, a recent parliamentary question has highlighted that the budget for the EAS in 2016-17 was just £500,000²⁵ and table 1 shows a trend of declining funding over the last 8 years.

²¹ HL Deb 04 July 1991 vol 556 cc1085

²² HL Deb 04 July 1991 vol 556 cc1085

²³ HL Deb 04 July 1994 vol 556 cc1087

²⁴ HL Deb 04 July 1994 vol 556 cc1084

²⁵ HC Deb, 24 April 2017, cW

Year	Spend ²⁶
2009-2010	£1,072,608
2010-2011	£932,000
2011-2012	£697,631*
2012-2013	£551,461
2013-2014	£532,023
2014-2015	N/A
2015-2016	£500,000
2016-2017	£500,000

Table 1: The spend of EAS from 2009-2017

*The Pay and Work Rights helpline took over complaint handling and advice in 2010 and therefore reduced the need for the same staffing levels and reduced the spend of EAS.

- 4.2.2** The government should look to providing more resource to EAS, and these resources should be focused on increasing their enforcement activity on all employment intermediaries, and improving the public's awareness of the role of the Inspectorate and how to make a complaint. There is already a very experienced and effective team ready to investigate complaints made, and therefore we see no reason not to promote the Inspectorate more widely, which we believe the Inspectorate themselves would welcome.
- 4.2.3** We have welcomed the creation of the Director of Labour Market Enforcement and have fed into his initial intelligence report which is soon to be published. We also welcome the extension of the Gangmasters Licensing Authority to become the Gangmasters and Labour Abuse Authority (GLAA) and have worked closely with them to promote awareness of their transition to our members. For instance in April, we hosted a webinar where our CEO, Kevin Green, interviewed Paul Broadbent, CEO of the GLA – around 130 tuned into the live broadcast and we have since disseminated the recording to a wider audience. We were pleased to hear that £2 million of additional funding has now been awarded to the GLAA²⁷ and hope these funds will be allocated effectively to tackle labour exploitation through high quality intelligence, plus a greater number of co-ordinated investigations and enforcement activity.
- 4.2.4** Recommendation 4: There should be a full funding review of the Employment Agencies Standards Inspectorate to ensure it is sufficiently resourced for the modern labour market.

4.3 The positive role of self-regulation

- 4.3.1** Since the end of licensing in the recruitment sector, the REC has grown to represent 82 per cent of the industry by turnover and acts effectively as a self-regulatory body for the industry through the REC's compliance regime. The REC has a stringent Code of Professional Conduct (Appendix 2) which goes above and beyond the legal requirements put in place by government. Every member also has to pass a compliance test which tests their knowledge

²⁶ HC Deb, 26 January 2016, cW

²⁷ <http://www.gla.gov.uk/media/2868/gla-52-10-ceo-report-january-2017.pdf>

of employment and tax legislation upon joining the REC and then retake an updated test every two years. If a member fails to pass this test, they are removed from membership. Last year we removed 78 members who failed the test. Further to this, any individual can make a complaint against an REC member. If it is found that a member has contravened our code, a complaint can be escalated to our Professional Standards Committee, on which representatives of both the CBI and TUC sit (to represent the business and worker voice respectively), and the committee can decide to expel the member. We have expelled two members in the last year. Being expelled from the REC is very serious, as it can lead to a damaged reputation and therefore a loss in business. Upon receipt of any complaint, we also advise the individual that they can make their own representations to EAS and we pass on relevant complaints to EAS where appropriate.

4.3.2 As more sophisticated supply chains develop and the use of online apps becomes the norm, we are currently reviewing our compliance standards to ensure that they are fit for the modern labour market. We can provide the review team with more information on this, and are keen to support the next government as they take forward the recommendations from the Taylor Review.

4.3.3 **Recommendation 5: The government should recognise the value of self-regulation and work more closely with professional bodies to tackle non-compliance.**

4.4 Compliance structures should reflect modern working practices

4.4.1 Current regulation of the labour market needs to be looked at as a whole. All providers of labour, whether umbrella companies or digital platforms, should be regulated in the same way as any other service supplying workers.

4.4.2 There is no statutory definition of an umbrella company. It is often used to describe a variety of different business models. It is commonly understood to be a limited company which sits as an intermediary in a labour supply chain and pays the worker but does not source any work.

4.4.3 The REC accepts the economic case for umbrella companies, as a payroll mechanism for flexible workers, however, we have frequently raised concerns about a number of practices often associated with such structures – for instance, we first raised concerns about travel and subsistence schemes in 2011 and it took until 2016 for the government to act.²⁸ Despite piecemeal regulation and advice on different structures in the supply chain, there are now a number of alternative schemes being promoted and marketed to recruitment agencies which we believe are inappropriate, although legal. We believe that these schemes are being driven by tax changes by HMRC and each time HMRC changes legislation in this area new innovative schemes are created. There are now a plethora of different models which a worker can be engaged and a lack of obvious enforcement or clear guidance of these models by HMRC.

4.4.4 To ensure absolute clarity and protect workers (as well as the businesses using such intermediaries), we believe BEIS should regulate these organisations by including them in the scope of the Conduct Regulations (2003) and through much greater enforcement of

²⁸ In 2013, we submitted a full response to the government's review of the Conduct Regulations which clearly outlined our key concerns and recommendations. It may be worth reviewing that response again to provide greater context to these comments.

legitimate tax structures for different types of workers by HMRC.

- 4.4.5 Digital platforms offer many opportunities for individuals to find work but they also pose a potential risk. This is especially true for apps that operate in sectors where the individuals will be working with children and vulnerable adults, such as in the education sector. In our research on the gig economy, just over a fifth (21 per cent) of employers surveyed said they would be encouraged to use these platforms if government set clear minimum standards for them, including a pledge to ensure workers are paid at least the National Living Wage. A further 19 per cent said they would be encouraged to use digital work platforms if government dealt firmly with all instances where they platforms are being used to avoid compliance with established tax and regulatory requirements²⁹. When we discussed regulation with a number of digital platforms, they informed us that they are not adverse to the idea of government regulation so as long as it facilitates the use of their platforms.
- 4.4.6 We believe that a number of digital work platforms are actually employment businesses. This is something that academics such as Professor Ursula Huws and others are looking into on a global and European level³⁰. From a UK perspective we believe that it would be a sensible policy decision to include digital platforms in the Conduct Regulations 2003. If this is not possible as a single step, the regulations should be amended following a consultation review to bring them into scope. Indeed we have members who operate in the 'gig economy' but fully comply with the Conduct Regulations - such as the work finding app 'Coople'³¹. We do not see any reason why similar apps should not also follow the same regulations.
- 4.4.7 **Recommendation 6: The Conduct of Employment Agencies and Employment Business Regulation 2003 should be updated to cover umbrella companies and relevant digital work platforms.**
- 4.4.8 **Recommendation 7: Joint guidance from HMRC and BEIS should be issued on umbrella companies to explain what is expected of them in terms of compliance and enforcement, as well as clarifying who is the employer in different scenarios.**
- 4.4.9 **Recommendation 8: HMRC should increase their enforcement activity around new umbrella models which are found to be non-compliant.**

4.5 Managing contingent labour well

- 4.5.1 Ultimately, ensuring a good working environment for all types of workers rests with the end client in a supply chain. However a recent EY survey³² of gig workers found that 58 per cent of contingent workers felt that full-time permanent employees were treated better than they were, a further 40 per cent felt like an outsider compared to the organisation's permanent employees, and 26 per cent felt disconnected from their employer's business objectives. This review should look into how employers can best manage and integrate their contingent workers, and provide examples of what good practice looks like. We have made a start on this ourselves through the Good Recruitment Campaign – where over 220 businesses have signed up to a charter of nine key principles for good recruitment practice. The campaign enables all signatories to come together as a network to share best practice

²⁹ Recruitment & Employment Confederation (REC), *The Gig Economy: the uberisation of work*, 2016

³⁰ Huws U, Spencer N, and Joyce S, *Crowd Work in Europe*. FEPS Studies, 2016.

³¹ <https://www.coople.com/uk/en/>

³² <http://www2.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2016/11/15/two-fifths-of-companies-expect-to-employ-more-gig-economy-workers-in-next-five-years.aspx>

and learn from each other. Our annual 'Talent, Recruitment & Employment Conference' on 21 June will provide a forum for over 300 delegates to continue this learning³³.

- 4.5.2 The success of the Modern Day Slavery reporting model demonstrates the importance of employers understanding their labour supply chain and ensuring it is compliant. Based on this experience, we also recommend a shift of liability to the top of the supply chain to ensure that all employers are taking full responsibility for their contingent labour.
- 4.5.3 **Recommendation 9: The review should highlight examples of best practice by employers who effectively manage their labour supply chain. The REC can support this through examples from our Good Recruitment Campaign.**
- 4.5.4 **Recommendation 10: End-clients should have greater oversight of the whole supply chain by reporting on how they have ensured good practice similar to the Modern Day Slavery Act reporting requirements.**

³³ <https://www.rec.uk.com/good-recruitment-campaign>

5 Skills and progression – the future of the labour market is in our own hands

5.1 Finding people to fill skills and labour shortages within the jobs market remains the biggest concern for our members³⁴ and this concern has intensified in anticipation of the end of free movement of labour as the UK leaves the EU. Our monthly survey of employers, Jobs Outlook³⁵, found that in April 2017, one fifth of hirers plan to increase their permanent headcount in both the short and medium term and over a third of UK hirers (34 per cent) said that they had absolutely no more capacity to take on more work within their organisation. This demonstrates the real difficulties UK employers are facing finding the people they need for their businesses. This review should consider ways of ensuring that the UK workforce has the skills and experience necessary for the demands of the modern economy.

5.2 Part of this lies in ensuring that the education system meets the needs of business through providing high quality technical education, soft skills, and adult retraining, and by ensuring education providers are in touch with the business community.

5.3 The role of work experience and careers advice services

5.3.1 Employability and work experience need to be at the core of the school curriculum. We believe the decision to end compulsory work experience for under 16s was a mistake and encourage the government to bring it back into the school curriculum.

5.3.2 At the same time, the concept of work experience must also be reviewed to ensure it is suitable for today's labour market and businesses. We would be happy to bring together government officials, education experts, recruiters and employers to explore this further and we have had much success in this approach when we have developed careers guidance support materials in the past.

5.3.3 We believe that adequate funding and space in the school curriculum for careers advice must be restored. Careers advice should be afforded a guaranteed slot in the school curriculum along with the resources to deliver this effectively. This needs to be urgently addressed so that careers advice is mainstreamed and properly delivered in schools.

5.3.4 **Recommendation 11: The concept of work experience while still in education should be re-examined to ensure it is suitable for today's labour market and the needs of businesses.**

5.3.5 **Recommendation 12: Careers advice should be afforded a guaranteed slot in the school curriculum along with resources to deliver this effectively.**

³⁴ The top concern for recruiters working in permanent recruitment in 2015/16 were a lack of relevant skills and experience amongst candidates (21 per cent), Brexit (19 per cent) and a shortage of candidates (15 per cent) according to [REC, Recruitment Industry Trends Survey, 2015/16](#)

³⁵ [REC, Jobs Outlook, April 2017](#)

5.4 Facilitating progression for people already in the labour market

5.4.1 Clear progression routes are critical

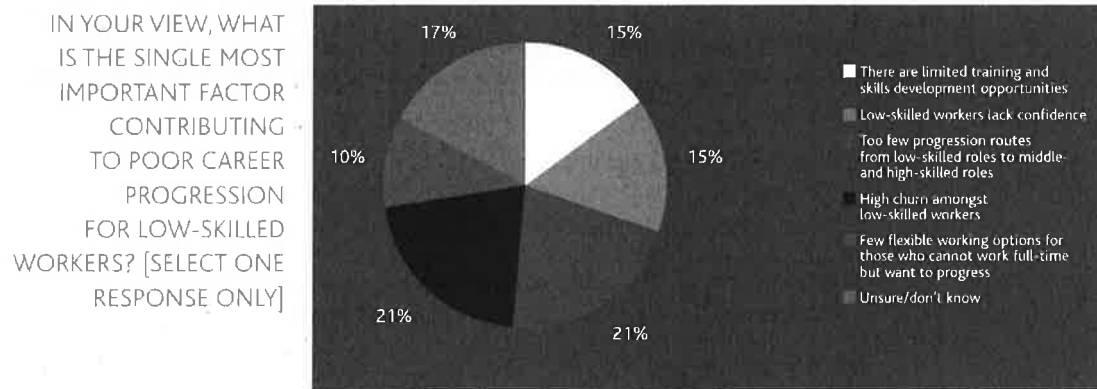


Figure 4: Factors contributing to poor career progression for low skilled workers according to employers³⁶

5.4.1.1 The review should also look into how workers can progress. We researched this topic in our report *Getting On*³⁷ where we asked employers what they believed the single most important factor contributing to poor career progression for low skilled workers was (Figure 4). The joint highest reason listed at 21 per cent was that there are too few progression routes available from low skilled roles to middle and high skilled roles. We believe this is an area the government can help, by creating clear progression routes. People should be able to switch from the technical to academic routes, and back again, at any point in their life and as their career and the labour market demands. It should be possible, for example, to go from apprentice to PhD, should an individual wish to take this route, and should there be the evidence that such skills are required by the jobs market.

5.4.1.2 Recommendation 13: The government should create clear progression routes to help workers know how best to progress in their career.

5.4.2 Recruitment agencies are career enablers

5.4.2.1 Our members support progression opportunities both as recruiters who support people to change jobs, and by providing work coaching services. For many, agency work can provide them with a stepping stone from unemployment or a different type of work into permanent employment (see figure 5). Temporary work contracts can provide individuals with on-the-job experience and skills development opportunities that they have not been able to gain elsewhere. For others who have been away from the labour market for some time, it may allow them to build up their confidence and experience levels – and add to their CV, which is still used as the main mechanism for employers to sift potential candidates. In our research report, *'Getting On'*³⁸ it became clear that in some sectors, such as hospitality, there can be

³⁶ Taken from REC, *Getting On, what progression looks like for low paid workers today, 2015*

³⁷ REC, *Getting On, what progression looks like for low paid workers today, 2015*

³⁸ REC, *Getting On, what progression looks like for low paid workers today, 2015*

no better training than 'getting out there' and immersing oneself in work. One worker who gave evidence to the research said:

*"Being thrown in at the deep end is the only way you can learn in this industry [hospitality]. You can't be pushed to the edge in school or college environment. You have to get out there and try the job for yourself"*³⁹ (Marco, Apprentice, London – taken from REC, *Getting On*, 2015)

5.4.2.2 Agency work has been proven to provide individuals with such experience. In a recent study OECD survey data for 24 industrialised countries on the intensity of on-the-job informal learning, it found that workers in temporary jobs are *more* engaged in informal learning than permanent workers⁴⁰.

TEMPORARY TO PERMANENT

What percentage of the temporary workers you use go on to become permanent members of staff each year?

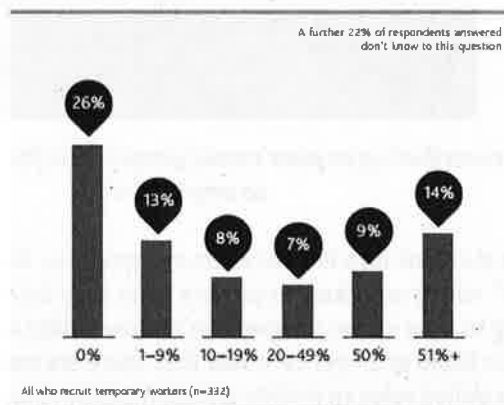


Figure 5 – the percentage of temporary workers who go on to become permanent members of staff each year according to employers⁴¹

5.4.2.3 Agency work is also a common way for those previously unemployed to enter the labour market in a temporary role and then to progress to a permanent role. While there has been much noise of late that agency workers are not moving to permanent positions, our data says differently. The April 2017 Jobs Outlook survey⁴² found that 23 per cent of employers reported that over half their temporary workers go on to become permanent workers each year (Figure 5)

5.4.2.4 Recommendation 14: The government should recognise the positive role employment agencies and businesses provide in career progression and work collaboratively with the sector to ensure a greater level of progression and to remove barriers to progression for agency workers.

³⁹ REC, *Getting On*, what progression looks like for low paid workers today, 2015

⁴⁰ Sequeda M F, de Grip A, van der Velden, Does Informal Learning At Work Differ between Temporary and Permanent Workers? Evidence from 20 OECD Countries. IZA DP No. 9322. September, 2015.

⁴¹ REC, *Jobs Outlook*, April 2017

⁴² REC, *Jobs Outlook*, April 2017

5.4.3 Formal training of agency workers

5.4.3.1 It is clear, however, that informal on-the-job training is not always sufficient on its own and more formal training is needed. 'Getting On' found that 15 per cent of workers identified 'limited training and skill development opportunities' as the single biggest factor in limiting career development for low skilled workers. This is true in sectors such as logistics which has high barriers to entry and immediate labour and skills shortages⁴³, as a driver must have a driving licence and pass the mandatory CPC training. But if an agency worker in a warehouse wanted to transition to become a HGV driver, they would have to fund this training themselves and potentially lose working days and the subsequent loss in potential salary.

5.4.3.2 A further 15 per cent of low skilled workers identified a lack of confidence as the most important reason for poor career development⁴⁴. This is an area that agency work can also help with progression. Recent academic research has found training temporary workers helps to increase their employability. This then reduces their levels of uncertainty about the future, and therefore improves their wellbeing and forms positive workplace attitudes⁴⁵. One worker we spoke to in 'Getting On' said this:

"I think it's important to undertake training – especially to stop you from feeling like a fish out of water when working with new brands. But because this means it stops me getting paid for a day's work, I'm often reluctant to undertake it" (Lois, Agency Sales Assistant – taken from REC, *Getting On*, 2015)

5.4.3.3 As well as supporting progression, the training of agency workers also helps increase productivity. For example, a study of agency call centre workers in the Netherlands in 2012⁴⁶ found that those agency workers who undertook a one week training course in conversation techniques performed 10 per cent better than the agency workers who didn't receive the training.

5.4.3.4 Despite the clear commercial and individual benefits of training agency workers, in reality it is very difficult for agencies to train agency workers and reap the rewards of doing so⁴⁷. The recent Apprenticeship Levy would have been an ideal opportunity to tackle this problem, indeed it was established to correct market failure amongst the training of employees, but has failed to account for the training of temporary workers.

5.4.3.5 The way the levy has been designed may actually exacerbate the problem, through eroding agency margins and reducing the finance available for training for contingent labour. The 0.5 per cent levy is paid on any payroll over £3 million per annum and as this is based on PAYE payments, it therefore includes payments on PAYE temporary workers. Many more agencies will have to pay the levy than equivalent sized employers, due to the large size of an agency's payroll. Whereas most employers will only pay this levy on their direct staff, agencies pay the levy on all of their agency workers for all their different clients. However, the majority of

⁴³ See [REC / Markit Report on Jobs](#)

⁴⁴ [REC, Getting On, what progression looks like for low paid workers today, 2015](#)

⁴⁵ [Chambel and Castanheira, Training of temporary workers and the social exchange process, Journal of Managerial Psychology, Vol 27, No.2, 2012 & Ehlert, C., Kluve, J., Schaffner, S. Temporary Work as an Active Labor Market Policy: Evaluating an Innovative Activation Program for Disadvantaged Youths IZA Discussion Paper, 6670, 2012](#)

⁴⁶ [De Grip, A., Sauermann, J. "The effects of training on own and co-worker productivity: Evidence from a field experiment" The Economic Journal 122:560 \(2012\): 376–399. DOI: 10.1111/j.1468-0297.2012.02500](#)

⁴⁷ [Spermann, A. How can temporary work agencies provide more training? IZA World of Labor 2016: 251 doi: 10.15185/izawol.251](#)

agency workers won't be able to undertake a year-long apprenticeship (the minimum duration for an approved apprenticeship) as fewer than five per cent of agency workers are on a single assignment for more than a year. To get their return on investment and meet the required apprenticeship standards, most recruiters will have no choice but to focus the spending of their levy pot on their permanent, direct employees. Therefore the Apprenticeship Levy is unlikely to impact or support the 1.2 million agency workers in the UK.

5.4.3.6 We first raised this issue with the government in 2015 when they initially proposed the levy. Many commentators have since identified the rigidity of the levy as problematic and are now calling for the levy to be broadened to become a more flexible skills levy in the longer term⁴⁸. We believe that some form of agency work training fund should be established using the funds paid by agencies into the Apprenticeship Levy. These could be drawn on either by the agency themselves through their own vouchers and the digital apprenticeship service or by creating a mechanism whereby they would be able to pass their vouchers to the employer to train agency workers while also passing on the cost. There are already established agency training funds in many other European countries, including Spain, Portugal, Italy, Luxembourg, Germany, Belgium, Switzerland and France, which the Review may want to investigate.

5.4.3.7 One way of encouraging more agencies to train their agency workers is to look at creating some form of exclusivity to work for one client. Dr Alexander Spermann, of the University of Freiburg, recently suggested in a paper that more effective contractual arrangements could be created that would reduce the financial risk of providing training to agency staff⁴⁹. A similar idea that the review team may want to consider for the UK, is how the restriction of exclusivity clauses in the Conduct Regulations 2003 could be amended to allow agencies to guarantee an agency worker to one particular client for a particular length of time, to allow them to undertake an accredited apprenticeship or training programme. This needs careful consideration to ensure there are no unintended consequences to the worker or to businesses.

5.4.3.8 Recommendation 15: Apprenticeship Levy payments made by employment businesses should be used to create a specific fund to support the training of agency workers.

5.4.3.9 Recommendation 16: The regulation restricting the use of exclusivity clauses for agency workers in the Conduct Regulation 2003 should be reviewed.

6 Conclusion

6.1 As the world of work changes it is important that policy keeps pace. The majority of people still work in full-time permanent jobs but a growing number of people are choosing to work in more flexible ways. There are now almost as many people working in the gig economy as there are agency workers, but agency workers have significantly more protections and entitlements. We believe that by extending and updating certain regulations, providing more support to the self-employed and gig workers, promoting awareness of their rights and entitlements amongst all non-permanent workers, creating clear progression route ways and creating a skills framework

⁴⁸ For example <http://www.cbi.org.uk/news/cbi-responds-to-launch-of-the-apprenticeship-levy-time-to-focus-on-quality/> , <http://www2.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2017/03/31/apprenticeship-levy-is-inherently-contradictory-say-mps.aspx> , http://www.ippr.org/files/publications/pdf/skills-2030_Feb2017.pdf?noredirect=1

⁴⁹ Spermann, A. How can temporary work agencies provide more training?. IZA World of Labor 2016: 251 doi: 10.15185/izawol.251

that works for all, not just permanent employees. These steps would go a long way to ensuring that no matter what way an individual decides to work, they are protected, supported and empowered.

6.2 We would be happy to provide any further evidence to the review or expand on any of the recommendations made above.

6.3 The review team should contact:

Philip Campbell
Senior Policy Advisor
Recruitment & Employment Confederation
philip.campbell@rec.uk.com
0207 009 2179



AGENCY WORKERS Know Your Rights

WHAT IS MEANT BY 'AGENCY WORKER'?

There are three main employment statuses for employment rights:



employee



worker



self-employed

**THE TERM
'AGENCY WORKER'
IS NOT AN
EMPLOYMENT
STATUS.**

An agency worker is someone who is engaged by an agency and supplied to work under the supervision and direction of another business. Agency workers can either have an employee or worker status.



REC research* shows that 24% of the British population has worked as a temporary agency worker at some point in their working life.

*Rec appeal: Why freelancers, contractors and agency workers choose to work this way (2014)

As an agency worker you should make an informed choice. You should weigh up not being a permanent employee with one company against the rewards of temporary work such as greater flexibility and choice.



WHAT RIGHTS DOES AN AGENCY WORKER HAVE?

This depends on your employment status, but all agency workers are entitled to the following:

- ☒ National Minimum Wage or National Living Wage
- ☒ Protection from unlawful deductions from wages
- ☒ Statutory Sick Pay
- ☒ Statutory Maternity and Paternity Pay, Shared Parental Pay and Adoption Pay
- ☒ Statutory holiday entitlement – 5.6 weeks paid holiday a year
- ☒ Minimum rest breaks
- ☒ Maximum working time - 48 average hours a week, or you can opt out of this if you choose
- ☒ To be automatically enrolled onto a pension if you meet the required criteria
- ☒ Protection from unlawful discrimination under the Equality Act 2010
- ☒ Protection for whistleblowing
- ☒ Health and safety protections
- ☒ Right not to be charged direct or indirect fees for finding a job
- ☒ Protections from being restricted from working elsewhere



FROM DAY 1 OF AN ASSIGNMENT YOU ARE ENTITLED TO:

- Access to same facilities as an employee such as staff canteens, food and drinks machines, toilets, showers, childcare, workplace crèche, car parking, or transport services
- To be informed about any job vacancies, although you may not always be eligible to apply for them



AFTER 12 WEEKS ON AN ASSIGNMENT YOU ARE ENTITLED TO:

- Equal pay as a permanent employee doing the same job
- Equal treatment with permanent employees in regard to rest breaks, holiday entitlement, and working time
- Paid time off for an ante-natal appointment

Rights under the Agency Worker Regulations (2010)

If you have an 'employee' status you will also be entitled to full employment rights. It should be clear from your written terms and conditions if you are a 'worker' or 'employee'.

Some agency workers will be on what is known as a pay between assignment contract (also known as a Swedish Derogation contract) which allows for agency workers to be paid when not on an assignment. As this is a contract of employment, you will be an employee, with full employment rights. However, those who work under this contract are not entitled to equal pay.

The right to receive written terms and conditions before an agency helps you find a job is guaranteed by *The Conduct of Employment Agencies and Employment Businesses Regulations (2003)*.

When you sign up with an agency or before they start to find you a job, you should be told about:



Type of contract
is it a contract of employment,
or apprenticeship, or for services?



Pledge of payment
irrespective of whether the agency has
been paid by their client.



Type of work you will be doing
and what is involved in the job



Notice period
Length of notice agency has to give you
and vice versa

When an assignment has been offered, you should be told:



Start date



Length of assignment



Location of assignment



Hours you are expected
to work



Any health and safety risks

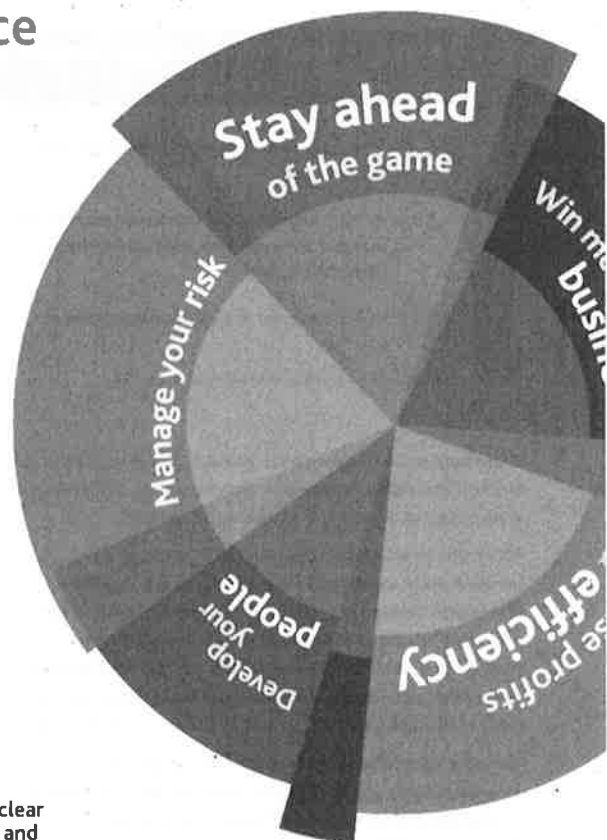
Changes to your terms and conditions can only be made if you agree. You must then be given a new document with full details of the changes and the dates they changed.

This factsheet was produced by the Recruitment & Employment Confederation (REC) the professional body for UK recruitment agencies and businesses. If you believe you are not receiving the rights you are entitled to, in the first instance speak to your agency. All our members are required to abide by our Code of Professional Practice and we investigate complaints received against our members within the scope of the Code. If you are working for an agency that is a member of the REC and you have a complaint, you can refer it to us: <https://www.rec-uk.com/membership/compliance/complaints>. The recruitment industry is regulated by the Employment Agencies Standards Inspectorate (EAS) which is part of the Department of Business, Energy and Industrial Strategy (BEIS). If you believe an agency is non-compliant and wish to report them or would like more information on your rights and entitlements as an agency worker, please ring the ACAS helpline on 0300 123 1100.

The information contained in this document is provided as general background information and should not be taken as legal advice.



REC Code of Professional Practice



The REC Code of Professional Practice creates a clear framework of values and principles that support and underpin the meaning of REC Membership.

Adherence to the Code actively demonstrates your commitment to professional and ethical recruitment. The Code focuses on outcomes and the impact of agencies' conduct on others whilst conducting their day-to-day activities. For advice and support on how to continually meet the standards expected from an REC Member please refer to the Guide to Compliance on the REC website at www.rec.uk.com/code

**Recruitment &
Employment
Confederation**

General Principles

Members will observe the highest principles of ethics, equity, integrity, professional conduct and fair practice in dealing with others and will conduct their business in a manner designed to enhance the operation, image and reputation of the recruitment industry and REC Members. The REC will offer guidance, legal advice and training to members to help achieve these standards.

Ethical conduct is not simply compliance with legal requirements but extends to honesty, respect for and equitable treatment of others, integrity and social responsibility. It is conduct that holds up to disclosure and to public scrutiny. Members and their staff will act towards other members and non-members, candidates, clients and others at all times in good faith. Members should actively seek to support and uphold the mission and values of the REC.

The REC has an important role to play in continuously improving standards within the recruitment industry. This Code is binding on all Corporate Members of the REC and their subsidiary/associate companies. Where a Member operates in a sector or sectors covered by one or more of the REC's industry sector codes of practice, the requirements of the applicable code or codes are also binding. Complaints against REC Members from candidates, clients or others, can be investigated under the REC Complaints & Disciplinary Procedure.

Principle 1

Respect for laws

- a. Members and their staff must comply with all relevant legislation, statutory and non-statutory requirements and official guidance and any future amendments to such requirements during the course of providing their services to others.

Principle 2

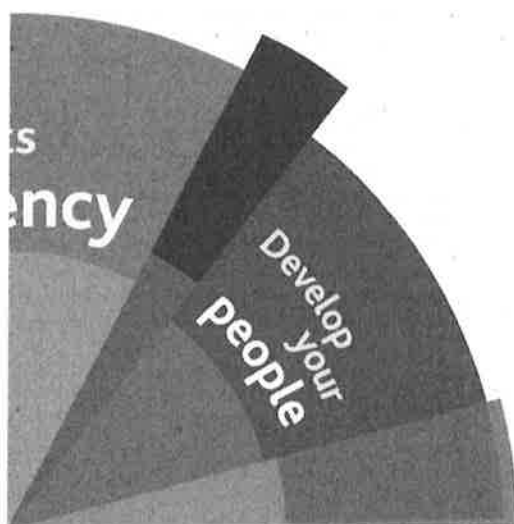
Respect for honesty and transparency

- a. Members will act honestly in all dealings with work seekers, clients, members, non-members and others.
- b. In the course of representing a work seeker or client a member shall not knowingly make a false or inaccurate statement, fail to disclose a material fact, or make a representation as to future matters without having reasonable grounds for making it.
- c. Members must adhere to principles of truth in advertising and will only advertise positions, through any medium, for which they have documented permission to recruit.
- d. All fees, charges and services provided must be explicitly and fully disclosed to clients prior to the acceptance of an assignment or prior to any work being undertaken for a client.
- e. Members should document all key stages of the recruitment process in line with relevant legislation and good practice guidance.

Principle 3

Respect for work relationships

- a. Members will not undertake actions that may unfairly or unlawfully jeopardise a work seeker's employment.
- b. Members will not undertake actions that may unfairly or unlawfully interfere in work relationships established by others.
- c. Members will not attempt unfairly or unlawfully to prevent a work seeker from seeking work from other sources.
- d. Members will in their dealings with all other REC Members and non-members treat them with respect and aim to work in a fair and open competitive environment.



Principle 4

Respect for diversity

- a. Members should adhere to the spirit of all applicable human rights, employment laws and regulations and will treat work seekers, clients and others without prejudice or unjustified discrimination. Members should not act on an instruction from a client that is discriminatory and should, wherever possible, provide guidance to clients in respect of good diversity practice.
- b. Members and their staff will treat all work seekers and clients with dignity and respect and aim to provide equity of employment opportunities based on objective business related criteria.
- c. Members should establish working practices that safeguard against unlawful or unethical discrimination in the operation of their business.

Principle 5

Respect for safety

- a. Members will act diligently in assessing risks to work seekers and clients and will not knowingly put at risk candidates, clients or others.
- b. Members will inform work seekers whenever they have reason to believe that an engagement may cause a risk to health and safety.

Principle 6

Respect for professional knowledge

- a. Members will work diligently to develop and maintain a satisfactory level of relevant and current professional knowledge.
- b. Members will ensure that their staff are adequately trained and skilled to undertake their responsibilities in recruitment practice.

Principle 7

Respect for certainty of engagement

- a. Members must supply work seekers with full details of the work, conditions of employment, the nature of the work to be undertaken, rates of pay, method and frequency of payment and pay arrangements in accordance with requirements of current legislation.
- b. Members will ensure that any variation to the engagement can only occur with prior notification and agreement of the worker.

Principle 8

Respect for prompt and accurate payment

- a. Members will pay promptly and accurately any wages and benefits due in accordance with any agreed terms and legal requirements.
- b. Members should not penalise temporary/contract workers, for example for having been late or failed to attend part or all of an assignment or for poor performance, by making deductions from pay due for time that they have actually worked.
- c. Members will not take on assignments that could result in their inability to pay temporary/contract workers.

Principle 9

Respect for ethical international recruitment

- a. Members must supply all overseas work seekers with the same level of information as set out and implied in Principle 7. In addition, information provided should include details of the likely cost of living in the area the prospective hirer is situated, the likely length of the job in question and the state of the employment market in the field they are being recruited into. All information must be provided at no cost to the work seeker.
- b. Members must ensure that in relation to overseas recruitment, they abide by all relevant legislation and Home Office guidelines and provide all relevant and applicable information to work seekers, clients and others.
- c. Members recruiting from outside the UK must not use overseas agents who charge for their services, unless that is the legal and normal custom and practice sanctioned by the government of the country of origin. In addition, members must make all reasonable efforts to ascertain such information about any agents used and should be able to demonstrate that they have done so.
- d. Members should observe the highest principles of social responsibility, integrity, professionalism, equity and fair practice in their dealings with all overseas work seekers.

Principle 10

Respect for confidentiality and privacy

- a. Members must observe the highest principles of integrity, professionalism, equity and fair practice to maintain the confidentiality and privacy of candidate and client information and should respect the confidentiality of records in accordance with law and good business practice.
- b. Members and their staff must ensure that permission has been obtained and documented before disclosing, displaying, submitting or seeking confidential or personal information.

REC Compliance Team
info@rec.uk.com

Making a complaint

Full details on how to make a complaint about a REC Member can be found at www.rec.uk.com/complaints

For further information on the Code please contact the REC on 020 7009 2100 or email info@rec.uk.com

Compliance test

Since July 2012 all new members to the REC have been asked to complete an online compliance test as part of their membership process. During 2013-2014 all existing members of the REC are also required to undertake the test to prove to clients and candidates that they conform to the highest standards. The compliance test assesses a members knowledge of the REC's Code of Professional Practice and legislation relevant to the recruitment industry.

- Recruitment's biggest lobbying voice
- The source of recruitment knowledge
- Raising recruitment standards
- Developing successful careers in recruitment
- Exceeding members' expectations through business support.

The Recruitment & Employment Confederation (REC) is the professional body for the recruitment industry. The REC represents 3,506 corporate members who have branches across all regions of the UK. In addition, the REC represents 4,744 individual members within the Institute of Recruitment Professionals (IRP). All members must abide by a code of professional practice. Above all, the REC is committed to raising standards and highlighting excellence throughout the recruitment industry.

Diversity Charter

As recruiters you are uniquely placed, as the conduit between work seeker and client, to promote diversity and challenge discriminatory practice.

To help you do this, REC and Jobcentre Plus have worked together to create a Diversity Charter. It covers the recruitment industry, both public and private, and sets out aspirational standards for recruitment agencies and job centres to achieve in the delivery of recruitment services to clients as well as offering an online diagnostic for agencies to benchmark their diversity practice. To find out more, register for the Diversity Pledge and commit today to developing best practice in diversity, go to www.rec.uk.com/about-recruitment/diversity or call 020 7009 2100.

**Call the REC today on 020 7009 2100
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Manage your risk

Appendix 3 – Good Recruitment Charter












Good Recruitment Charter

This charter has been devised and developed by The Good Recruitment Campaign Advisory Panel. As the centrepiece of The Good Recruitment Campaign, the charter defines good recruitment practice through nine key principles that the organisations who sign up to the charter will aspire to.

Good recruitment helps organisations to acquire the talent they need in order to perform and grow. It provides great candidate experiences and helps ensure that the UK workforce is used to its full potential.

(Name of employer/representative body) will aspire to ensure that:

-  **Principle 1:** We are fair, legal and ethical in our resource planning and recruitment procedures, with specific regard to actively promoting diversity and inclusion within the workplace.
-  **Principle 2:** We exercise good recruitment practice and apply this equally to temporary, contract, interim, fixed term, zero hours and part-time workers.
-  **Principle 3:** We deliver a high standard of candidate experience, with ongoing communication during the recruitment process, including two-way feedback for all those interviewed.
-  **Principle 4:** We offer flexible working arrangements and adaptive working practices, wherever possible, as a way of boosting inclusion and attracting talent.
-  **Principle 5:** We ask that those managing and delivering the recruitment process (whether internal staff or external providers) work to recognised standards, undertake any relevant training/qualification, and commit to continuous development.
-  **Principle 6:** We ask that our external recruitment providers are signed up to industry codes of practice and demonstrate a commitment to good recruitment practice.
-  **Principle 7:** Our supply chain delivers good recruitment practice throughout, including where different resourcing models, such as recruitment process outsourcing or vendor arrangements, are in place.
-  **Principle 8:** We help to address youth employment through our recruitment procedures; for example, through the provision of apprenticeships and traineeships, and by working with recruitment organisations who have signed up to the REC's Youth Employment Charter.
-  **Principle 9:** We regularly review our recruitment procedures with feedback from candidates (those appointed and not appointed) and keep up-to-date with new recruitment/resourcing approaches.



www.rec.uk.com/goodrecruitment
[#goodrecruitment](https://twitter.com/goodrecruitment)
info@rec.uk.com

Recruitment &
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Upon signing the Good Recruitment Charter, your business will gain:

- Access to a self-assessment tool, which can be used to review your recruitment approach against the Charter
- Online access to the Good Recruitment Hub, which articulates each principle in more detail and signposts practical guidance
- The opportunity to benchmark against other organisations and learn from a network of HR / In-house recruitment professionals

The Good Recruitment Campaign helps organisations benchmark their current recruitment methods and reinvigorate their strategies in order to attract the right candidate.

With direct access to a large network of HR / In-house recruitment professionals, those involved can benefit from workshops, conferences, peer-reviews, self-assessment tools, and key pieces of data that will help their business reach new heights in talent acquisition.

The initiative is led by a collaboration of businesses that are continuously working towards improving the performance of their organisation. The Good Recruitment Campaign welcomes all businesses that are committed to resourcing the right way.



www.rec.uk.com/goodrecruitment
[#goodrecruitment](https://twitter.com/goodrecruitment)
info@rec.uk.com

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- Recruitment's biggest lobbying voice
- The source of recruitment knowledge
- Raising recruitment standards
- Developing successful careers in recruitment
- Exceeding members' expectations through business support.

Jobs transform lives, which is why we are building the best recruitment industry in the world. As the professional body for recruitment we're determined to make businesses more successful by helping them secure the people they need. We are absolutely passionate and totally committed in this pursuit for recruiters, employers, and the people they hire.

Find out more about the Recruitment &
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