



**REC**

Recruitment  
& Employment  
Confederation

# Compliance Assessment Guidance

November 2023



# Categories

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# 1. Contracts

## Permanent recruitment

- Agreement with candidate to include:
  - How you will be acting – as an employment agency
  - Authorisation to look for work and
  - Type of work.
- Contract with clients to include:
  - How you will be acting – as an employment agency
  - Calculation of fees/charges, and
  - Details of any refund
- Terms must be agreed before providing any services

# 1.

# Contracts

## Temporary recruitment

- Terms with temporary workers must be agreed before providing any work finding services and should include:
  - that you will be acting as an employment business
  - type of contract i.e. contract for services/contract of service
  - an undertaking that you will pay the worker regardless of whether you receive payment from the client
  - length of notice
  - actual or minimum rate of pay and payment intervals
  - type of work, and
  - details of paid holiday

# 1.

# Contracts

- Terms must be agreed with your work-seekers before you provide any work finding services.
- For any limited company contractors who **opt out** of the Conduct Regulations, you will need to:
  - either agree fully compliant opted-in terms of engagement
  - or obtain an opt-out notification before you provide any work finding services

# 1. Contracts

## Working via an umbrella company

- Work-seekers who want to be employed by an umbrella company once an assignment has been secured for them will need to agree PAYE terms of engagement directly with the employment business before any work-finding services can start.

# 1.

# Contracts

## Temporary recruitment

- Contracts with clients must be agreed before providing any services and should include:
  - that you will act as an employment business,
  - details of fees including circumstances in which refunds are payable
  - details of procedure if temp is unsatisfactory
  - transfer fee clauses that are compliant with the Conduct Regs:
    - Relevant period – 14 weeks from start OR 8 weeks from end of assignment
    - Extended period of hire – alternative to paying a fee

# 1.

# Contracts

## Key Information Document (KID)

- From April 2020, Regulation 13A of the Conduct Regulations requires you to issue work-seekers with a KID at the point of registration and before terms of engagement have been agreed. It was introduced to address the lack of transparency around work-seekers pay:
  - A work-seeker cannot opt out of receiving a KID
  - You must issue a separate KID of each of the operating models you use: PAYE, Umbrella and PSC
  - The Regulation is very specific about what must be included in the KID amongst which you should provide an illustration of the pay and deductions along with the type of contract the work-seeker may be engaged under
  - Further information can be found on the REC website here: <https://www.rec.uk.com/our-view/topics/good-work-plan/governments-good-work-plan-and-legislation-changes>



# 1.

# Contracts - Resources

## Permanent recruitment:

- [Registration Process - Permanent Introductions](#)

## Temporary recruitment

- [Registration Process - Temporary Workers](#)
- [Agreeing terms with your client](#)
- [Key Information Document](#)
- [Limited company contractors](#)

## REC model contracts

- [REC model contracts](#)

## 2. Work-seeker Files - Permanent candidate files

**You must  
check:**

- That it would not be detrimental to the client or candidate for the candidate to undertake the role
- The candidate is willing to work in the position

## 2. Work-seeker Files - Permanent candidate files

When the candidate is to work with vulnerable persons you will need to:

- Check their identity and that they have the experience, training, qualifications and any authorisation required
- Obtain and offer to provide copies of quals/authorisations and two references to the client (with the referee's consent)
- Inform the client of steps taken

## 2. Work-seeker Files - Permanent candidate files

**You must  
check:**

- their identity and that they have the experience, training, qualifications and any authorisation required
- eligibility to work in UK
- it would not be detrimental to the client or temp for the temp to work in the role
- the temp is willing to work in the position

## 2. Work-seeker Files - Permanent candidate files

When the worker is to work with vulnerable persons you will need to:

- obtain and offer to provide copies of quals/authorisations and two references to a client (with referee's consent)
- REC members should carry out DBS checks via the update service at least **every 12 months**

## 2. Work-seeker Files - Permanent candidate files

### Qualifications and authorisation:

- When the temporary worker is required by law or a professional body to have a quals/authorisation you need to offer to provide copies of quals/authorisations to a client and take all reasonably practicable steps to check the temp is suitable

## 2. Work-seeker Files - Permanent candidate files

For both perm and temps, you must:

- Provide written assignment details to work-seekers within 3 working days of giving it verbally
- Info to temps and perms:
  - client ID
  - nature of client business
  - start date
  - likely duration
  - type of work
  - location
  - hours
  - risks to health and safety
  - experience, training, quals, authorisations required
  - expenses
  - actual rate of pay
- Plus for perms:
  - minimum rate of pay
  - benefits
  - payment intervals
  - length of notice to be given/received

## 2. Work-seeker Files

### Resources

- [Permanent Candidate Files](#)
- [Temporary Worker Files](#)
- [Limited Company Contractor Files](#)
- [Temporary Worker Assignment Details](#)



# 3. Advertising

Adverts to include:

- full name of agency or employment business
- whether posts are temp or perm

If rate of pay is stated, you must include:

- nature of work
- location
- minimum experience / training / qualifications

# 3. Advertising

You must:

- Have authority from the client to advertise
- Give information about the specific position/s to which the advert relates

When positions have been filled and are no longer available, advertisements should be removed immediately

## 3. Advertising

For vacancies in Great Britain, an agency or employment business **cannot** advertise in an EEA state other than Great Britain unless it advertises the vacancy in English in Great Britain:

- at the same time; or
- for 28 days before advertising in the other EEA state.

### RESOURCES:

Further guidance can be found in our legal guide – [Advertising and Marketing](#)

## 4. Data protection



You must:

- register with the ICO in order to process personal data - [www.ico.gov.uk](http://www.ico.gov.uk)
- obtain a candidate's permission to forward their CV to clients

Resources: Further guidance can be found in the REC Legal Guide: [Data Protection](#), [Record Keeping](#), [Model documents](#)

## 5. Key policies and procedures

a

### Complaints

It is not a legal requirement but it is a requirement of REC standards to have a complaints procedure and demonstrates a commitment to customer service.

It should include who to complain to, timescales and appeal mechanism.

## 5. Key policies and procedures

**b**

### **Industrial Disputes**

It is a breach of the Conduct Regulations to knowingly provide a worker to cover an employee on strike or to cover someone who has been moved to cover an employee on strike.

# 5. Key policies and procedures

C

## Training courses

Agencies and employment businesses can charge a fee for training courses provided that:

- Working finding services are not conditional upon the work-seeker paying for the course;

and

- The work-seeker can complete the course through a provider of their own choice.

# 5. Key policies and procedures - Resources

[REC Code of Professional Practice](#)  
[Model Complaints Procedure](#)



## 6. Health and safety

### You must:

- ask a client about any health and safety risks and what steps they have taken to prevent or control these risks
- pass this information onto the work seeker in writing

**Resources:** Further information can be found in our Legal Guide – [Health and Safety](#)



# 7. Client files



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**Temp and perm:** you must obtain information from the client to select a suitable candidate

- Information to be obtained is the same as the information to be given to candidates:
  - client ID
  - nature of client business
  - start date
  - likely duration
  - type of work
  - location
  - hours
  - risks to health and safety
  - experience, training, quals, authorisations required
  - expenses
  - actual rate of pay
- Plus for perms:
  - minimum rate of pay
  - benefits
  - payment intervals
  - length of notice to be given/received

# 7. Client files



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Information about permanent candidates:

- **Confirmation that:**
  - the candidate is willing to work in the position.
- **Plus, if the candidate is to work with vulnerable persons**
  - confirmation of ID and experience, training, qualifications and any authorisation required
- **Have clear processes in place with clients as to what checks you will or will not carry out.**

# 7. Client files



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Information about temporary workers:

- **You must provide:**
  - confirmation of ID
  - that the temp has the experience, training, quals and any authorisation required; and
  - that the temp is willing to work in the position
- **Where you have provided the above information (temp and perm) verbally to the client you must provide the same, in writing, within 3 working days**

# 7. Client files - Resources



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## Permanent placements

- [Registration Process – permanent placements](#)

## Temporary workers

- [Obtaining assignment details from hirers and information about workers](#)

## Limited Company Contractors (not opted out)

- [Introducing or supplying a work-seeker to a client](#)

## 8. Code of Professional Practice

### 10 Principles

Covering statutory compliance, as well as best practice

Be transparent and honest with clients and candidates

Documenting key stages of the recruitment process to ensure there is a clear audit trail





## 8. Code of Professional Practice

The REC investigates allegations of breaches of the Code via the REC's Complaints and Disciplinary Procedure

The REC's Professional Standards Committee can issue sanctions to those members found to be in breach of the Code



## 8. Code of Professional Practice

Differentiates members from non members

Shows that members commit to operating at a higher ethical level than statutory obligations

Shows clients and candidates the standards you work to

Can be used as a training tool with your consultants

### Resources:

[REC Code of Professional Practice](#)

[REC Complaints Process](#)





# 9. Professional and well informed staff

## Principle 6 of the Code

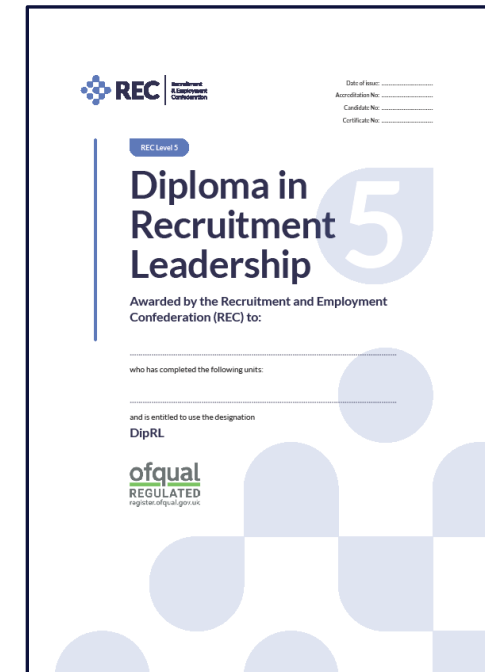
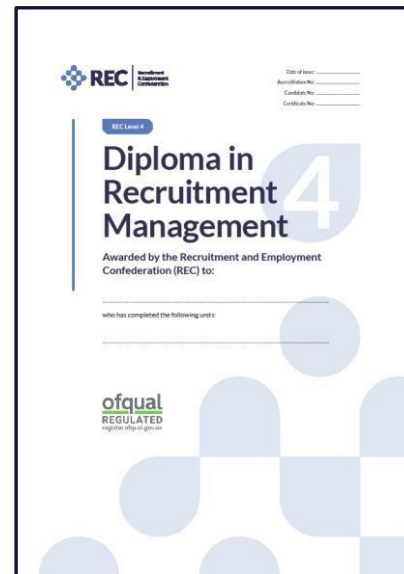
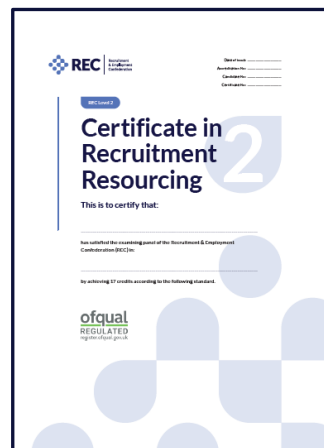
requires that you keep your industry knowledge up-to-date and that you ensure that your consultants are well trained.

## Training should include

who the REC is and what the REC expects of member organisations, as well as relevant legislation and internal procedures

## Accurate and topical advice to clients

REC provides access to qualifications, our Legal Guide, Legal Helpline and website



## 9. Professional and well informed staff - Resources

[REC Code of Professional Practice](#)

[Legal Guide](#)

[Training](#)

[Qualifications](#)

[Continuing Professional Development](#)

## Limited Company Contractors

- An employment business must receive written/electronic notice of the opt-out agreement from the LCC and individual prior to the relevant assignment starting
- Cannot opt-out if working with children or vulnerable adults
- You must inform a client if you are supplying opted-out a LCC
- If the LCC remains within the Regulations, contracts with clients and work-seekers must be compliant

Resources: Further guidance can be found in our Legal Guide – [Supplying limited company contractors](#)

# Agency Worker Regulations

- Agency workers have the same basic employment and working conditions as if a worker has been recruited directly by the client - after they have worked for a qualifying period of twelve weeks in the same job with the same client
- Day One rights:
  - access to client's facilities
  - information on job vacancies

## What is included?

- level of basic pay
- annual leave entitlement
- bonus or commission payments attributable to amount/quality of work done (includes vouchers of a monetary value)

## Liabilities

- employment business (and other TWA's e.g. umbrellas) and/or clients

## Written request for information

- you must respond within 28 days from receipt of request

Resources: Further information can be found on our website: [Agency Workers Regulations](#), [AWR Fact Sheets](#)

# 12. Equality and Diversity

a

## Equality and diversity

It is not a legal requirement but a requirement of REC standards to have an equality and diversity policy and demonstrates your commitment to equality and diversity..

If you receive a discriminatory instruction from a client – to act on it is a breach of the Equality Act 2010 and the REC Code of Professional Practice.

# 12. Equality and Diversity

**b**

## **Equality and diversity**

It is important that staff training and development covers equal opportunity and diversity so that staff understand that employment opportunities must be based on objective business related criteria .

# 12. Equality and Diversity - Resources

[REC Code of Professional Practice](#)

[Equality Act 2010](#)

[Model Equal Opportunities and Diversity Policy](#)



**Keep informed...**

[www.rec.uk.com](http://www.rec.uk.com)