

# The Agency Workers Regulations 2010

## **Impact Assessment Guide**

### **Sections 1 & 3**

### **Hirer's Guide & Impact Assessment Toolkit**

For Use by Hirers

**Produced by the Association of Professional Staffing Companies  
(APSCo)**

[www.apSCO.org](http://www.apSCO.org)

## Contents

The APSCo Impact Assessment Guide is made up of three sections, and these are available in three separate publications as listed below.

Publication	Document Title	Description	For Use By:
<b>Section 1</b>	A Hirer's Guide to the Agency Workers Regulations 2010	An introductory guide for end-user clients.	Hirers
<b>Sections 1 &amp; 2</b>	A Hirer's Guide to the Agency Workers Regulations 2010 & AWR Risk Assessment Toolkit for Members	This includes the Hirer's Guide, for members' reference when undertaking the Risk Assessment	Members
<b>Sections 1 &amp; 3</b>	A Hirer's Guide to the Agency Workers Regulations 2010 & AWR Impact Assessment Toolkit for Hirers	This includes the Hirer's Guide for reference when members assist their end-user clients in undertaking the Impact Assessment.	Hirers & Members

### **Before undertaking an Impact or Risk Assessment, we would strongly recommend that you read the information contained within Section 1.**

This Impact Assessment Guide is for use by APSCo members only, and their clients. The facts, information, and opinions contained herein are correct to the best of APSCo's knowledge as at time of publication. However, this is intended as a concise, introductory guide to the new legislation, and not as a substitute for legal advice. The aim of this guide is to help members and their clients prepare for this legislation by providing an overview of the Agency Worker Regulations 2010 ("Regulations"), and to pinpoint some of the issues surrounding the impact and risks presented by it. This document is not an exhaustive and complete reference document for the Regulations. The Regulations can be downloaded at <http://www.legislation.gov.uk/uksi/2010/93/contents/made>.

UK Government guidance on the Regulations will be available prior to October 2011, details of which will be confirmed to members once the guidance has been published.

This is a complex new legal area giving rise to a range of new rights for "Agency Workers". There will not be a "one size fits all" approach, and the risks and compliance requirements will vary by sector and type of supply arrangement. Members and their clients are therefore recommended to seek their own specialist legal advice on how the Regulations will affect their supply, use, and cost of agency workers.

APSCo can be contacted at [info@apsco.org](mailto:info@apsco.org) or on 08458 997388.

## A Hirer's Guide to the Agency Workers Regulations 2010

APSCO has produced this guide, as at February 2011, to provide an overview to hirers of the impact the Agency Workers Regulations ("Regulations") will have on them if they engage the services of individuals supplied via a third party such as an employment business. This legislation comes into force in October 2011, so it is important to start looking at these issues now.

This document gives an overview of the Regulations, and more detailed guidance covering specific areas will be published over the coming months.

Hirers should be aware that this is new legislation, and as such its interpretation may change over time, and that the guidance included within this document reflects current thinking.

### The Agency Worker Regulations

The main principle of this new legislation is to give equal treatment to those temporary workers defined by the Regulations as agency workers, in line with comparable permanent employees or directly recruited workers, with regard to pay and certain other working conditions after 12 weeks in an assignment.

Although there are some day one rights, to qualify for equal treatment with regard to pay the agency worker must have been engaged by the hirer, in the same or similar position, for a period of 12 continuous calendar weeks ("qualifying period"). There are circumstances in which this qualifying period is paused, examples of which are explained in more detail within this document but generally the qualifying period will accrue unless there is a break of at least 6 calendar weeks.

It is not the intention of this legislation to give preferential treatment to agency workers over and above that given to permanent employees or directly recruited workers. It is important to note that the Regulations do not give agency workers employment status.

### Terminology

"**hirer**" means a person or organisation to which individuals are supplied to work temporarily under that person's supervision and direction. An end user client using an employment business, master vendor or other staffing company to supply temporary workers will be a hirer.

"**agency worker**" means an individual who is supplied by a temporary work agency to work temporarily for and under the supervision and direction of a hirer and who agrees to perform work and services personally for the agency. See later section on "**Individuals potentially outside the scope of the Regulations**".

"**temporary work agency**" means a person who supplies individuals to work temporarily for and under the supervision and direction of hirers, and who pays for, or receives or forwards payment for the services of such individuals. Note that a person or organisation does not need to be an employment business – other intermediaries such as umbrella companies and group companies supplying staff within a group may also be temporary work agencies.

## Application of the Regulations

The Regulations apply to all **temporary workers who are supplied to work for and under the supervision and direction of a hirer**, and supply is made under a contract of employment or any other contract to perform work and services personally.

## New Rights to which Agency Workers will be Entitled

### From Day One of their Assignment

The agency worker will have certain entitlements from day one of their assignment. With effect from 1<sup>st</sup> October 2011 all agency workers will be entitled to:

- be informed by the hirer of relevant job vacancies within the hirer's organisation; and
- access to collective facilities and amenities, including canteen or other similar facilities, childcare facilities, and transport services.

These entitlements will not be subject to a qualifying period, and must be available to the agency worker from the first day of their assignment. Access to such facilities can be refused if there are objective grounds for doing so, and no preferential access is implied. For instance if there is a waiting list for childcare facilities, then the agency worker would be entitled to join the waiting list on the first day of their assignment, but must wait their turn for a place to become available.

Benefits such as season ticket loans, and childcare vouchers are not generally classed as amenities and are therefore not included in these day one entitlements. However, the difference between an amenity and an employment benefit will not always be clear and so hirers will need to refer to any UK Government guidance and future case law on this point.

### After the Qualifying Period

Agency workers will be entitled to the same basic working and employment conditions as a comparable permanent employee or directly recruited worker, which includes:

- pay, being any sum payable to the worker, including any fee, commission, bonuses, overtime, shift allowances, payment for annual leave (including over and above the statutory entitlement), and other payments which are directly attributable to the amount or quality of the work undertaken by the agency worker ("Pay");
- The duration of working time, rest breaks, rest periods and night work; and
- Annual leave (including over and above the statutory entitlement). Note that the right to take the leave is in addition to be paid for such leave. The Government has indicated that where the annual leave entitlement exceeds the statutory minimum (currently 28 days including public holidays) payment for the additional leave can be paid in lieu of the agency worker taking such leave. Equal treatment will, however, require agency workers to be given the same right and opportunity to take the full leave entitlement if they choose to do so.

## Benefits not within Scope

It is not the intention of the new Regulations to change the employment status of agency workers, and their rights to equal treatment will not include all the benefits to which permanent employees are entitled.

### What Pay Doesn't Include

- Redundancy pay.
- Maternity, paternity or adoption leave pay (although note that agency workers may still be entitled to statutory maternity/paternity/adoption leave and pay).
- Occupational sick pay (although statutory sick pay may apply).
- Company pension schemes (although note that forthcoming pensions legislation will introduce new pension rights for agency workers).
- Financial participation schemes.
- Bonus payments that are not directly attributable to the amount or quality of work done by an individual and which are given to encourage the individual's loyalty or to reward long-term service.
- Pay for time off for carrying out trade union duties.
- A statutory guarantee payment (e.g. payable during a lay-off period).
- Any advance of pay or a loan.
- Any expense incurred in carrying out the employment.
- Any payment to a worker other than in that person's capacity as a worker

Please note that unless the statutory right is expressly excluded under the Regulations any statutory entitlements currently available to agency workers will apply and remain unaffected by this new legislation, e.g. if an agency worker meets the relevant criteria they will be entitled to receive Statutory Sick Pay but any occupational sick pay over and above statutory will be excluded.

Hirers will need to identify which pay and benefits payable to a comparable person are within Pay for the purposes of the Regulations. They will then need to provide full details of the different pay elements to their staffing suppliers, and determine whether a fee increase is required to equalise agency worker pay.

## The Qualifying Period

An agency worker's services must have been engaged for a period of 12 continuous calendar weeks working in the same role with the same hirer before they have the right to equal treatment (with the exception of their day one rights explained above). The qualifying period is irrespective of whether an agency worker works full or part-time. For example an agency worker may only work one day a week, but they will still be entitled to equal treatment after 12 weeks on assignment.

**A new qualifying period will begin when there is a break of six calendar weeks or more between assignments in the same role, or, where the agency worker takes on a new assignment with the same hirer, which is substantively different to their previous role.**

A substantively different role will be one where the main work or duties are different from those required in the previous role and where the agency worker has been informed in writing by the temporary work agency of the type of work they will be required to do in the new role, e.g. if the role is at a different level of seniority or responsibility.

There are circumstances in which the qualifying period may be paused, and then restarted once the agency worker returns to the assignment. These include:

- A break of less than six calendar weeks
- Sickness Absence
- Annual Leave
- Shutdowns – factory closures/school holidays
- Jury Service
- Industrial Action

Where the agency worker is absent from their assignment due to pregnancy, childbirth, or maternity related absence (during the period from the start of a pregnancy to 26 weeks after childbirth, or when the agency worker returns to work) or for statutory or contractual maternity, adoption, or paternity leave to which the agency worker is entitled the qualifying period will continue to accrue during the agency worker's absence for the original intended duration or likely duration of the assignment, whichever is the longer. This will also apply to maternity, paternity, and adoption leave where the agency worker has a contractual entitlement, whether statutory or otherwise to such leave.

Engaging agency workers on assignments of less than 12 weeks, and replacing them with different agency workers, or using the 6 week break to break the qualifying period is not expressly prohibited within the Regulations. However, there are anti-avoidance measures for situations where the most likely explanation for the structure of more than two assignments involving the same role and carried out by an agency worker for the same hirer, or within the hirer's group is to deprive them of their rights under the Regulations.

### **Workers Potentially outside the Scope of the Regulations**

Not all individuals working through employment businesses will fall within scope. The **genuinely self-employed** (in business on their own account), and those working under the supervision and direction of the **supplier** rather than the hirer will not fall within scope.

Although **limited company contractors** are not expressly excluded, the definition of agency worker excludes arrangements where the contract the individual has with the temporary work agency has the effect that the status of the temporary work agency and/or the hirer is that of a client or customer of the limited company or self-employed contractor.

*Although the Regulations do not affect tax law and tax status the tests used to assess whether an individual is genuinely self-employed are similar. It is likely, therefore, that limited company contractors working within IR35 will be agency workers and that those working under arrangements which fall outside IR35, will not.*

**Managed service arrangements**, whilst not expressly excluded, will fall outside scope unless, in reality, the hirer rather than the management service provider supervises and directs the staff. Simply placing a supplier representative on a hirer's site will not be enough to turn the supply into a managed service – contractual and actual responsibility for supervising and directing the staff must be with the service provider and not the hirer.

### **So Who is Likely to be Outside Scope?**

A simplified answer to this question, based on the majority of individuals likely to be supplied by APSCo members is:

#### **Limited Company Contractors, who are outside IR35.**

**Umbrella company workers** will almost certainly fall within scope unless they clearly do not work under the supervision and direction of the hirer. They may, however be taken out of scope for the purposes of equal Pay if they are employed by the umbrella company in accordance with Regulation 10 of the Regulations – “Permanent contracts providing for pay between assignments” - often referred to as the "Swedish Derogation" or the “pay between assignments” model.

### **What is the Swedish Derogation?**

Where an agency worker is employed under a permanent contract of employment with a temporary work agency (including an umbrella company) and the conditions set out in Regulations 10 and 11 are met, the agency worker will fall outside the scope of the Regulations in relation to their rights for equal Pay.

These conditions include, but are not limited to the requirement that during any period during which the worker is not working, but is available to do so the employing temporary work agency must take reasonable steps to seek suitable work for the worker, and pay the worker a minimum amount in respect of that period. The minimum amount is 50% of basic pay paid to the agency worker based on the highest level of pay paid within the 12 weeks immediately preceding the end of the previous assignment or during the assignment if less than 12 weeks. This payment must not be less than the National Minimum Wage.

**The temporary work agency may not terminate a contract of employment with an agency worker until it has complied with the conditions stated in the paragraph above for an aggregate of not less than four calendar weeks during the contract.**

For a complete list of the conditions, which must be met under Regulations 10 and 11 please see the Regulations, which can be downloaded at <http://www.legislation.gov.uk/ukxi/2010/93/contents/made>.

All other rights such as day one rights, annual leave and working time rights will still need to be equalised.

Hirers and employment businesses are recommended to seek specialist legal advice before relying on the Swedish Derogation. Hirers and employment businesses should also consider how the employing temporary work agency will fund payments between assignments.

## Establishing a Comparator

An agency worker is entitled to the same basic working and employment conditions as they would be entitled to for doing the same job had they been recruited directly by the hirer – this is referred to as the "as if" test.

- The "as if" test requires the hirer to confirm what terms and conditions the worker would have been entitled to had they engaged them directly – there is no absolute requirement for the hirer or an agency worker to identify a "flesh and blood" comparator.
- However, the "as if" test will be deemed to have been complied with where the agency worker is working under the same relevant terms and conditions as an employee doing the same or broadly similar work (having regard, where relevant to whether they have a similar level of qualification and skills), and who is working or based at the same establishment as the agency worker.
- If there is no comparable employee working at the same establishment then the comparison needs to be extended across different establishments.
- Terms of established pay scales, collective agreements, national agreements and established custom or practice can be used to provide comparator information.
- In most cases a hirer will be able to apply the "as if" test, but there will be some situations in which a hirer will be able to justifiably say that they would never take a worker on direct to do that type of work. If there is no comparator then there is no requirement to provide equal treatment. However if an agency worker brings a claim the employment tribunal will have to consider whether or not the hirer should have applied the "as if" test. Hirers therefore need to consider roles carefully before relying on them being out of scope due to an apparent lack of a comparator within their directly engaged workforce.

Where agency workers are paid more than their comparator, then no action needs to be taken with regard to Pay. However, the agency worker will still be entitled to other equal treatment, such as comparable annual leave (see **New Rights to Which Agency Workers will be Entitled**, above).

**It is also important to remember that Pay may include more than just the hourly/daily/weekly rate. For example performance-related bonuses payable to a comparator will need to be considered. Pay will not be assessed on a complete package basis – each element of Pay will need to be separately identified and quantified, and so even if an agency worker gets paid more than their comparator on an hourly/daily/weekly rate basis the agency worker will still have a right to equality of pay in relation to other elements of Pay such as bonuses and holiday pay.**

## Potential Liability of the Employment Business and the Hirer

This is a complex issue and one that will become clearer only once the employment tribunals start to consider liability for breach of these Regulations. The temporary work agency that pays the agency worker will be at least partly liable for any breach but, depending on the circumstances, other parties in the supply chain, and even hirers may also share liability.

Where a temporary worker agency can show that:

- it acted reasonably in obtaining or trying to obtain the required information from the hirer, or the temporary work agency in the next tier up the supply chain; and
- it acted reasonably on information received from the hirer, or other temporary work agency to determine equal treatment; and,
- based on the information received, it extended the same basic working and employment conditions to the agency worker,

but, nevertheless an employment tribunal concludes that the agency worker has not received equal treatment, then it is possible that the temporary work agency will not be liable for a breach.

The Regulations make it clear that where more than one temporary work agency is party to a claim the employment tribunal will have regard to the extent to which each temporary work agency will be responsible for the breach. This is an important point in relation to the types of supplies made by APSCO members because supply claims often include an umbrella company, an employment business, and a master vendor. Dependent upon the facts all three suppliers could potentially share liability for breach of the Regulations.

In certain cases the hirer may be liable, particularly if they have refused to provide accurate comparator information.

It should also be noted that liability in relation to an agency worker's access to collective facilities and amenities will be the hirer's.

**This highlights the absolute importance of the flow of information between hirers and temporary work agencies particularly in situations, such as master vendor arrangements, where there are more than two parties in the chain.**

It will be essential for each temporary work agency to fully understand your pay and benefits structure, in what circumstances these are made available, and how comparators are appraised. We would hope that your employment business already has a thorough understanding of your business culture and needs, but the new Regulations will mean that this relationship will be vital in ensuring compliance.

If you work closely with your employment business complaints from agency workers should be dealt with quickly, reasonably, and to the satisfaction of all parties. Note that as a hirer, unless you deal with the temporary work agency that actually engages and pays the agency worker, you will need to ensure through your contracts that the comparator information and equalising payments are passed down the supply chain to the temporary work agency that actually pays the agency worker. Ultimately information flows will be a matter of contract and so hirers and APSCO members will need to revisit and update their supply terms to address the Regulations.

APSCO will be updating its model terms in respect to the Regulations, which will be available to all APSCO members before October 2011.

In the event that an agency worker presents a complaint to an employment tribunal, and it is upheld, please be aware of the following.

**Employment Tribunals will have the power to**

- make a declaration as to the rights of the agency worker and recommend action to be taken;
- order compensation of not less than two weeks' pay to be paid. Such compensation may be split between parties dependent upon their responsibility for the infringement;
- order additional compensation of no more than £5,000 where measures were taken to prevent the agency worker from being entitled to equal treatment by structuring assignment patterns in order to avoid the qualifying period;
- join all temporary work agencies and the hirer to the claim.

**What should you do next?**

Now that the Regulations will not change materially, and we have a better understanding of the form and content of the guidance, we feel it is time to encourage hirers to start to take some action.

Firstly we would recommend that you undertake an impact assessment to fully understand how the Regulations will affect the use of temps, contractors and other non-directly engaged individuals working for your organisation. For larger companies this may be a complex and time-consuming exercise with which you may require help from your recruitment agencies.

To help you with this, we have produced an **Impact Assessment Toolkit**, which provides information and advice on how to assess which temporary resource will fall within the scope of the Regulations.

**APSCo  
February 2011**

APSCo would like to thank Samantha Hurley of Reviewpoint Consulting Limited, and Osborne Clarke for their work on this guide.

## Agency Workers Regulations 2010

### Impact Assessment Toolkit for Hirers

#### Introduction

Some organisations are focussing on how to comply with the AWR before looking at whether they need to comply, and what the actual impact of compliance will be. We believe that your first step should be to carry out an impact assessment, to understand the scale of the issue, before deciding on an implementation strategy.

We know that hirers use and engage the services of non-employed individuals in a variety of different ways. Some of these workers and supply arrangements will fall within the scope of the Regulations, but others will not. Identifying who is and who is not an “agency worker” now will certainly reduce the size of the subsequent compliance exercise you will have to undertake.

This toolkit has been devised to help you (the hirer), with assistance from your employment business, to assess the impact of the Regulations on your business, and assist you in planning your future AWR implementation strategies.

Please ensure that you have read our [AWR Hirer Guide](#) before commencing this assessment.

<b>Assessing the Scale and Structure of your Agency Workforce</b>	
<b>Issues to Consider</b>	<b>Explanatory Notes</b>
<b>1.</b> How many agency workers do you (the hirer) have on-site?	The answer to this will allow you to gauge the scale of the task.
<b>2.</b> What is their average/typical pattern of usage?	Documenting the typical pattern of your usage now, will help you once the Regulations come into force should you be required to provide evidence.
<b>3.</b> What percentage of your agency workers are engaged on assignments of less than 12 (calendar) weeks?	It is important to understand the percentage of agency workers that will be affected by the Regulations. <b>Although all agency workers will have day one rights</b> (please see the Hirer’s Guide), their rights to equal treatment for pay and working conditions don’t kick in until they have completed 12 weeks on assignment.

**Assessing the Scale and Structure of your Agency Workforce continued...**

4.	Is there a particular type of agency worker, or area of the business, where assignments are typically less than 12 weeks long?	This will allow you to understand the areas of the business most exposed.
5.	What percentage of your agency workers who work on assignments of less than 12 weeks are engaged on a one-off basis?	One-off assignments of less than 12 weeks will not require equal treatment in terms of pay and working conditions.
6.	Where agency workers are engaged by you on assignments of less than 12 weeks and these are typically extended, what is the average break between assignments?	<p>If agency workers are engaged on assignments of less than 12 weeks, and these are extended without a break (where the work undertaken is the same or similar) then the qualifying period will continue without a break.</p> <p>The "clock" on an agency worker's qualifying period will stop if there is a break of 6 weeks or more between assignments.</p>
7.	Where there are regular breaks between assignments does the agency worker return to the same or similar role (this does not have to be within the same department/division).	If there is a break of less than six weeks, the clock is merely paused, and will restart when the agency worker returns to commence another assignment, unless the new assignment is not in the same or a similar role.
8.	Do you use multiple employment businesses to engage agency workers?	All work undertaken by an agency worker for you, within the rules (please see the Hirer's Guide), will count towards their qualifying period. This is irrespective of which employment business the agency worker is supplied through. You will, therefore, need to make each employment business aware if this is the case.

**Assessing the Supply Arrangements of your Agency Workforce**

	<b>Issues to Consider</b>	<b>Explanatory Notes</b>
1.	<p>How are your agency workers supplied to you? Are they:</p> <ul style="list-style-type: none"> <li>▪ PAYE temps/contractors, provided via an employment business through an umbrella company or other intermediary, where they are taxed and NI'd at source, whether under an employment contract or not?</li> <li>▪ Limited company contractors?</li> </ul>	Please be aware that as well as agency workers provided through employment businesses, those provided through umbrella companies, and other intermediaries, will also usually fall within the scope of the Regulations.

### Assessing the Supply Arrangements of your Agency Workforce continued...

<p>2.</p>	<p>If they work through a limited company, are they genuinely self-employed?</p>	<p>Genuinely self-employed individuals, in business on their own account, will fall outside the scope of the Regulations. The Regulations consider this to be where either the employment business or the hirer has the effective status of a client or customer of the limited company, by virtue of the contract in place.</p> <ul style="list-style-type: none"> <li>▪ An individual working through their own limited company should not on its own be considered proof of genuine self-employment.</li> <li>▪ Although the Regulations do not affect tax legislation the test to determine whether an individual falls within the IR35 tax legislation is similar to that, which will be used to determine whether they are an agency worker for the purposes of the Regulations, and therefore, it is likely that individuals who fall outside the IR35 tax legislation will be considered outside the scope of the Regulations.</li> <li>▪ However, confirming that an individual is outside IR35 alone is not necessarily a rigorous enough test to establishing status of genuine self-employment. <b>It should also be noted, that an individual's IR35 status can change dependent upon the work undertaken, and so this test would need to be renewed on a regular basis.</b></li> <li>▪ We would, therefore urge caution, and suggest that if you are not entirely sure that the individual is genuinely self-employed you should seek specialist legal advice.</li> </ul>
<p>3.</p>	<p>Does the agency worker work under your (the hirer's) supervision and direction?</p>	<p>Agency workers working under the supervision and direction of the supplier (as opposed to working under your direction and supervision) will fall outside scope. <b>For APSCo members this type of supply arrangement will be rare.</b></p> <p>It is not yet clear what will constitute "supervision and direction", but it is likely to require the supplier to take responsibility for the workers both in contract and in practice such that the supplier delivers a managed service rather than merely providing the staff</p>

### Assessing the Requirement for and Potential Cost of Equal Treatment

Issues to Consider	Explanatory Notes
<p>1. Is there an easily identifiable permanent employee, or directly recruited worker undertaking the same or broadly similar work having regard, where relevant, to whether they have a similar level of qualification and skills?</p>	<p>Please see the Hirer's Guide. Note that an "as if" test needs to be applied and so it will only rarely be the case that there is no comparator.</p>

<b>Assessing the Requirement for and Potential Cost of Equal Treatment continued...</b>		
<b>2.</b>	Do you have an established pay scale or collective agreements that would be relevant to the role the agency worker is undertaking?	As 1. above.
<b>3.</b>	You need to identify the pay rates for agency workers.	The pay rate is the rate actually paid gross to the agency worker, not the amount paid to the employment business, which includes their margin or fee.  Your analysis of pay should separately identify basic pay, holiday pay, overtime, shift allowances, bonuses, commission and any other entitlement linked directly to the work undertaken and/or the agency worker's personal performance or contribution.
<b>4.</b>	What commission, bonuses, or other payments (linked directly to the amount or quality of work undertaken) do you make available to your comparator?	These payments are included in the definition of "pay" within the Regulations. APSCo will be producing more detailed guidelines on what qualifies as "pay" once the Government Guidelines are published. It may be that certain types of bonus can be excluded from "pay" and so bonus structures and entitlements need to be looked at carefully.
<b>5.</b>	What's the comparison between the agency worker rates and those of your comparator, e.g. by reference to established pay scales or a collective agreement?	This will give you an indication of the percentage of agency workers likely to be affected when the Regulations come into force, and what the additional cost in terms of increased pay will be.
<b>6.</b>	If you make commission/bonus etc., payments to your comparator, are these also paid to agency workers? Or is the agency worker's rate calculated to take into account an extra amount in lieu of these commission/bonus payments?	Commissions/bonuses (directly linked to the amount and quality of work undertaken) should be included in the calculation of increased costs for equal treatment in terms of pay.  Please note that "pay" will not be assessed on a complete package basis – please see the Hirer's Guide.  It may be that your agency worker rates have already taken into account that they have not been included in your commission/bonus schemes etc., and are inflated accordingly. If this is the case, then you must be able to evidence this.
<b>7.</b>	In relation to working conditions, do agency workers have the same annual leave entitlement as your comparator?	Agency workers will have the right to equivalent annual leave, even if this exceeds the statutory entitlement. The Government has indicated that any right to holiday pay over and above the statutory minimum (currently 28 days including public holidays) can be paid as a payment in lieu, but note that agency workers will still have a right to take the additional holiday as actual leave even if payment for such leave is paid in advance.
<b>8.</b>	Do agency workers have the same duration of working time and rest breaks as your comparator?	Agency workers will be entitled to the same working time and rest breaks as their comparators.

<b>Assessing the Day One Rights of Agency Workers</b>		
<b>Issues to Consider</b>		
<b>Explanatory Notes</b>		
<b>1.</b>	How do you advertise internal job opportunities?	Agency workers will have the right, from the first day of their assignment to the same access to your vacancies as your permanent or directly recruited staff.
<b>2.</b>	What collective facilities and amenities are available to your permanent and directly recruited staff?	Again, agency workers will have day one rights to collective facilities. Access to such facilities can be refused if there are objective grounds for doing so, and no preferential access for agency workers is implied.

<b>Assessing Other Risks</b>		
<b>Issues to Consider</b>		
<b>Explanatory Notes</b>		
<b>1.</b>	Do you (the hirer) have a recognised relationship with any union(s)?	Hirers operating in heavily unionised sectors will need to think carefully before relying on any arrangements, which put agency workers outside the scope of the Regulations. The unions have always supported the Directive, and were instrumental in getting the UK Government to vote in its favour in 2008. We think that it is likely that the unions will encourage and support test cases in favour of agency workers' rights.
<b>2.</b>	What appraisal procedures do you have in place in relation to the calculation of pay and working conditions for your permanent employees, directly recruited staff, or agency workers?	Some form of appraisal process will be required to ensure that agency workers continue to obtain equal treatment in terms of pay and working conditions. However, it would be inadvisable for you to interact directly with the agency worker with regard to this. This is an area where it is imperative that you work closely with the employment business to ensure compliance.
<b>3.</b>	What processes do you have in place to exchange information with the employment businesses with which you work?	Are these information supply lines robust enough to handle the extra information exchange that is required by the Regulations? Will it be necessary for you to reassign or increase resources?

This impact assessment is the first stage in developing an effective implementation strategy.