

BERR

Department for Business
Enterprise & Regulatory Reform

**CONDUCT OF
EMPLOYMENT AGENCIES
AND EMPLOYMENT
BUSINESSES REGULATIONS
2003**

Consultation and Impact
Assessment

MARCH 2009

Conduct of Employment Agencies and Employment Businesses Regulations 2003: A Consultation

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Foreword



These are challenging times to be in business. But challenging economic times make all the more important the maintenance and enhancement of key strengths of the UK labour market. The right combination of flexibility for both workers and employers, with the provision of key protections for workers is one such strength.

The private recruitment industry plays a major part in maintaining that flexibility. It has grown significantly in recent years. Employing over 100,000 and with a turnover of £27,006 million in 2007/08 it has helped over 725,000 people find permanent work and assisted in filling 1,220,000 temporary vacancies. The advent of the internet and broadband has resulted in a paradigm shift in the market for recruitment services. The e-recruitment market was worth approximately £0.5 billion in 2007 and has been growing at around 25 per cent a year. This is a highly innovative sector with new products helping to reduce the costs of employment and increasing flexibility for workers.

The framework of protection for vulnerable workers is also very much better than it was a decade ago, including rights to a minimum wage, and the right not to have to work more than 48 hours a week on average. But we are not complacent. We know that there are still areas where more needs to be done to ensure that the most vulnerable are protected and we are committed to tackling those. The Fair Employment Enforcement Board, established following the report of the Vulnerable Worker Enforcement Forum published last August, is

focused on further helping vulnerable workers and their employers by improving enforcement and raising awareness of existing employment rights and related legislation.

In an economic downturn, it is even more important to reflect on what more needs to be done in order to ensure that the conditions are right for future success. That is why I am launching this consultation, to seek views on proposals that are designed to bring business benefits, reduce regulatory burdens, target abuse and ensure that essential protections remain in place for the most vulnerable agency workers.

This consultation focuses on a package of proposed amendments to the Conduct Regulations governing conduct of the private recruitment industry. We want to address three areas of interest to three different audiences. First, we want to take practical steps to tackle the bad practice of some rogue agencies in the entertainment and modelling sector where, despite cooling off measures introduced last year in respect of upfront fees, we know that abuse continues. We want to achieve this either by a ban on the practice of taking upfront fees or by tightening the existing Regulations to address particular areas of concern.

Second, we want to introduce greater clarity and lines of responsibility between employment agencies and businesses that use them, particularly in respect of suitability checks for workers introduced for permanent recruitment. We think this offers potential to further reduce regulatory and administrative burdens on the recruitment industry sector to allow it to continue to grow and innovate without compromising appropriate protections for workers, employers and vulnerable groups.

Third, this consultation also offers the opportunity for us to restore Post Graduate Medical Deaneries, who are responsible for the recruitment and training programme of junior doctors and junior dentists to NHS employers, to their previous position as a body exempt from employment agency legislation.

We also invite views on a number of additional areas that we have identified in the Conduct Regulations that we think offer scope for reducing administrative burdens on employment agencies and businesses, or where we consider measures may be necessary to offer greater protection for vulnerable agency workers.

In consulting on these issues I am keen to hear the views of those affected. I hope that you will respond constructively to these proposals and look forward to your comments.

A handwritten signature in black ink that reads "Pat McFadden". The signature is written in a cursive, flowing style.

Pat McFadden
Minister for Employment Relations

Executive summary

The Employment Agencies Act 1973 and the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (“the Conduct Regulations”) govern the conduct of the private recruitment industry and set minimum standards for employment agencies and employment businesses operating from premises in Great Britain. All employment agencies and employment businesses must comply with the provisions in the legislation which are designed to protect both work-seekers and hirers.

The purpose of this consultation is to gather information and views from interested parties, including those who may be affected by the proposed amendments to the Conduct Regulations, on a package of measures designed to clarify lines of responsibility between agencies and hirers, further reduce regulatory burdens, target abuse and ensure that essential protections remain in place for the most vulnerable agency workers.

We want to look in particular at two key areas.

Upfront fees charged by entertainment and modelling agencies

We want to look again at the circumstances in which, under the Conduct Regulations entertainment and modelling agencies are able to charge upfront fees. Our concern is that despite the introduction of a 7 day cooling off period in April 2008 it has become clear that there continues to be significant abuse of the upfront fee provision in this sector. We would welcome views on two potential options for addressing this:

- either to ban the practice of taking upfront fees or
- to tighten the Conduct Regulations to address particular concerns that we are aware of, for example the taking of post dated cheques/credit card impresses, provisions for refunds if no publication is produced or circulated, and the charging of ‘assessment fees’.

Suitability checks for permanent recruitment

We want to explore how we can encourage innovation and the development of new services with the potential to make the recruitment process more open and more efficient, and reduce burdens on businesses, whilst at the same time ensure that essential protections remain in place for workers, hirers, and vulnerable groups.

In particular, we want to focus on how we can introduce greater clarity and eliminate unnecessary duplication in respect of suitability checks for workers introduced for permanent employment. Our view is that one area where we can achieve that is to remove the requirement for employment agencies, who introduce workers for permanent employment, to undertake suitability checks including identity, experience, training, qualifications and any authorisations required by law. This is because the burden for undertaking suitability checks in

the vast majority of cases also rests with the hirer, as once a worker has been introduced for permanent employment, the hirer is also required by law to undertake suitability checks. Therefore even if we remove the requirement for employment agencies essential protections for workers, employers and vulnerable groups would still remain. The requirement for employment businesses to undertake suitability checks for workers introduced for temporary work would remain unchanged.

Other areas

We would also welcome views on additional areas in the Conduct Regulations that we think offer scope for reducing administrative burdens on employment agencies and employment businesses, or where we consider measures may be necessary to offer greater protection for vulnerable agency workers.

Finally, we are proposing to restore Post Graduate Medical Deaneries¹, who are responsible for the recruitment and training programme of junior doctors and junior dentists to NHS employers, to their previous position as a body exempt from employment agency legislation.

The closing date for this consultation will be 11 June. Therefore, with the exception of Deaneries, the earliest date for any amended Regulations to come into force will be April 2010. The exemption for Deaneries could be brought into force by October 2009.

¹ References to Deaneries also refers to the UK Foundation Programme Office which recruits doctors to the Foundation Programme.

Definitions of employment agencies and employment businesses

There is often confusion about the differences between employment agencies and employment businesses. To clarify:

Employment agencies introduce workers to hirers for permanent employment. The worker subsequently becomes the employee of the hirer and has no further contractual relationship with the agency. Work-seekers looking for permanent employment would, therefore, use the services of an employment agency.

Employment businesses introduce workers to hirers for temporary work only. The employment business (also known as temp agencies) will place a worker with a hirer to work. The worker's contractual relationship is with the employment business and it is the employment business that is responsible for paying the worker and managing annual leave etc. These workers are often known as agency workers, hence the confusion over the terms employment agency and employment business.

Recruitment businesses that do both.

Some recruitment businesses offer both temporary and permanent vacancies. A work-seeker's relationship with this type of recruiter depends on the nature of the vacancy they are applying for.

For example if a work-seeker is looking for a job on an online jobs board⁽¹⁾ and applies for a permanent vacancy, the recruiter must act as an employment agency in their dealings with the work-seeker. If the work-seeker was using the same recruiter and applied for a temporary job then that recruiter's relationship with the work-seeker is as an employment business and it must act accordingly.

⁽¹⁾ An online jobs board is an internet site where job vacancies are posted (vacancies could be permanent or temporary).

European Agency Workers Directive

This consultation does not cover the implementation in the UK of the EU Agency Workers Directive, which was agreed last year.

As the Government has consistently said there will be a detailed consultation and it hopes to legislate to implement the Directive in the current Parliamentary session. The Government will look to avoid unnecessary burdens and costs for business while ensuring agency workers receive the appropriate protections. A separate consultation on this will be launched in spring.

How to respond to this consultation

Responses to this consultation must be received by **Thursday 11th June 2009**.

These can be submitted on line via survey monkey at <http://tinyurl.com/d5cgwe>

Alternatively you can respond by [email](#) using the consultation [response form](#) or by letter or fax to:

Bal Dhoot
Employment Agency Standards Policy
Bay 485
BERR
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 8184
Fax: 020 7215 0168

Please state if you are responding as an individual or representing the views of an organisation. If responding on behalf of a company or an organisation, please make it clear who the organisation represents and, where applicable, how the views of the members were assembled.

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<http://www.berr.gov.uk/consultations/page50428.html>

Confidentiality

Your response may be made public by the Department for Business, Enterprise and Regulatory Reform. If you do not want all or part of your response or name to be made public, please state clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax coversheet will be taken to apply only to the information in your response for which confidentiality has been requested.

We will handle any personal data you provide appropriately in accordance with the Data Protection Act 1998.

Help with queries

Questions about policy issues raised in this document can be addressed to:

Bal Dhoot
Employment Agency Standards Policy
BERR
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 8184
Fax: 020 7215 0168
Email: Balwinder.Dhoot@berr.gsi.gov.uk

The Proposals

Measures to protect vulnerable agency workers

a) Upfront fees charged by entertainment and modelling agencies

Under the Conduct Regulations, there are certain limited circumstances within the entertainment and modelling sector where the prohibition on charging fees to work-seekers for work-finding services does not apply. Fees can only be charged in two circumstances. First, where agencies do not charge the hirer a fee, they can charge fees out of earnings from work which the agency has found for the work-seeker. Second, the agency is permitted to charge an upfront fee for inclusion of information about a work-seeker in a publication which is a publication for the purpose of finding work-seekers employment or for providing hirers with information about work-seekers. The fees typically cover inclusion in model books or websites or entertainment industry publications. The taking of fees is long established industry practice in this sector and was retained when employment agency legislation was first introduced in 1976.

In 2008 the Government implemented a 7 day cooling off period in respect of these fees when the Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2007 (“the Conduct Amendment Regulations”) came into force on 6 April 2008. This gives work-seekers who are entitled to be charged these upfront fees a 7 day period during which they can cancel or withdraw from any contract to include their details in a publication, without suffering any detriment or penalty by informing the agency that they have cancelled or withdrawn from the contract. During the 7 day period no upfront fee is payable by the worker.

This provision was introduced in response to concerns that some unscrupulous employment agencies in this sector were engaged in hard sell tactics to persuade vulnerable would be entertainers or models to pay high fees for inclusion in a publication, with unrealistic promises of work. These fees are sometimes portrayed as charges for photographic or showreel services. The purpose of the cooling off period was to allow individuals to better assess, away from the audition or photographic session, whether what they have been told is realistic and to consider whether or not they want to proceed. It is now a criminal offence for agencies to take fees from a work-seeker for including their details in a publication during the 7 day period or include their information in a publication. The cooling off period applies whether the work-seeker signed the contract at a casting session or approached the agency direct.

Since the cooling off period was introduced the Employment Agency Standards Inspectorate has been carefully monitoring the effectiveness of the new arrangements. It is clear from the steady stream of complaints that the Inspectorate continues to receive in respect of up front fees that we now need to seek views on any further steps that might be needed to protect vulnerable workers in this sector. We are also aware that there is concern within the sector at the lack of a requirement on entertainment and modelling agencies to give

work-seekers written notice of their right to withdraw from the contract, as well as the lack of specific provision to ban agencies from asking for post-dated cheques or credit card impresses.

We are also aware that, following the decision of a Judicial Review, which concluded that the magistrate's court was correct to dismiss BERR's prosecution against a child model agency which charged upfront assessment fees, some provisions of the Conduct Regulations need to be amended to enable them to be enforced effectively. In particular, Regulation 26(5) governing fees payable to entertainment and modelling agencies for inclusion of a work-seeker's details in a publication does not provide for the situation in which an upfront fee is paid for inclusion in a publication but no publication is ever produced. The Conduct Regulations contain no time limits within which the publication has to be produced, and no provisions for workers being refunded in the absence of any publication.

There are, however also organisations that charge work-seekers upfront fees as a legitimate part of their business model. These tend to be casting directories in the entertainment industry which charge work-seekers a fee for including their details in online and hard copy databases that are used by the casting directors to hire actors. We therefore want to establish a way forward that will balance our wish to close a loophole in respect of a small number of unscrupulous agents but which will meet the concerns of reputable businesses.

Case Study 1

Seven day cooling off period being ineffective

In response to an advert in the paper Mrs X sent pictures of her son to Model Agency Y. A few days later Model Agency Y telephoned to say how handsome her son was and that they were offering him a three year contract for modelling TV work advertising films and work abroad. There would be an initial fee of £150 with the option to upgrade to higher level 'star package'. Mrs X paid the £150 and an additional £100 to upgrade to the star package by cheque.

Mrs X was excited by the opportunity being offered by the modelling agency and mentioned it to friends a few days later. They were very suspicious and thought it was all too good to be true so Mrs X decided to do some research on the internet. This research confirmed her worst fears, as there were numerous references from people who had paid money to this company and not received any work.

Mrs X then contacted the company to try and get her money back. It had only been four days since signing the contract but the company persuaded her that if she was prepared to wait a few days they should be able to get some work for her son. Seven days after originally signing up her son, the cheque was cashed by the modelling agency.

When Mrs X contacted the agency again to enquire about work she was told that they had not found anything yet. She asked for a refund and was informed that she was not entitled to it. It was only after seeking legal advice that Mrs X found out about the seven day cooling off period which would have allowed her to claim her money back. She had been previously unaware of the seven day cooling off period and had now waited too long to claim her money back and was not entitled to a refund.

The agency never found any work for her son.

Case Study 2

Abuse of upfront fees

Models Agency A is a modelling employment agency which places adverts in local papers offering work as models or extras. It invites interested members of the public to attend a casting session at a local hotel where “scouts” interview and test candidates for their suitability for modelling and extra work.

Typically the ‘scout’ suggests that the member of the public has excellent potential to succeed in the modelling and entertainment industry. There is considerable pressure placed on candidates to pay an upfront fee on the day for professional photographs to be taken of them and for their details to be placed on the agency website. Anyone paying for their details to be placed on the website by cheque is asked to post-date it (this allows the agency to get around the 7 day cooling off period). The candidate is not expecting to pay this fee, nor aware of their 7 day cooling off period during which the agency is not allowed to take a fee for placing their details on the website. The cooling off period does not apply to the photographic fees as this is not a classed under the Conduct Regulations as a work-finding service. They are easily convinced, when they are told how much they will earn when they start getting work, to pay the fee. Some photographs are taken, a contract signed and Models Agency A informs the candidate that they will be in touch soon with offers of work.

Models Agency A places the details of the candidate onto its website for a few months but make no other effort to find them work. The agency continues to repeat this process in other towns.

We have developed a set of preliminary options to deal with these issues and would welcome views on how effective this would be and thoughts on the specific criteria we have set out and how these could be refined.

We propose to address these issues by either of the following two options:-

Option 1a) Ban all upfront fees for work finding services, including photographic and show reel services provided by the employment agency or a person connected with the employment agency. For the purpose of the Conduct Regulations the provision of photographic and show reel services by an agency would be defined as a work-finding service. This would mean that the only fees that entertainment and modelling agencies would be able to charge would be from earnings from work that the agency has found for the work-seeker. This ban would not affect photographic and show reel services provided by businesses unconnected with an employment agency.

Option 1b) As option 1a but with an exemption that allows directories to charge clients upfront fees in the entertainment sector. For adults it would be based around them having either:

- professional acting experience in a minimum of 4 acting jobs in either theatre, film or television. Work as an extra, walk on, model or promotional work would not count; or
- been trained at a member of the Conference of Drama Schools (CDS) or on an NCDT (National Council for Drama Training) accredited course, or to a similar relevant standard in their field.

For children under 18 we would welcome views on three potential options for an exemption in cases where children are:

- are attending an accredited stage or theatre school. This would mean only a limited number of children would qualify as accredited schools represent a small minority of all stage schools.
- are attending *any* stage or theatre school. This would allow a greater number of children to be exempt.
- are attending any stage or theatre school or have acting experience in a minimum of 2 acting jobs in either theatre, film or television. As with adults, work as an extra, walk on, model or promotional work would not count. This would provide the widest exemption for Directories including child actors and allow inclusion of those who have not attended a stage school but have relevant acting experience to be exempt.

Option 2: Tighten the Conduct Regulations in respect of the 7 day cooling off period, combined with a targeted campaign to raise awareness of this right. This would be achieved by amending the Conduct Regulations to:

- Require employment agencies to notify in writing all new clients that there is a 7 day cooling off period and that they have a right to cancel.
- Ban employment agencies from taking post-dated cheques and credit/debit card impresses to ensure payment is not taken prior to this 7 day cooling off period.
- Introduce a provision for workers being refunded an upfront fee if no publication is ever produced or circulated, allowing a period of six months by which time the agency would have to deliver on its promise to produce a publication and circulate.
- Make it explicit in the Regulations that 'assessment fees' are not permissible.
- Provide that the 7 day cooling off period applies to photographic and show reel services provided by the agency or a person connected with the agency.

We would welcome your views on these proposals, and in particular, your comments on:

- Q1 How effective do you consider the cooling off period has been at preventing the unscrupulous practice of rogue employment agencies or individuals?

- Q2 If the regime were to be tightened which of the 2 approaches outlined above would be your preference?
- Q3 With respect to inclusion of information about the work-seeker in a publication, would the banning of taking upfront fees, damage legitimate firms/individuals working in the entertainment/modelling industry?
- Q4 If there were a ban on upfront fees, what revisions would you need to make to your current business model to take this into account? Please include timescales for making these revisions
- Q5 How effective do you think Option 1b would be at allowing legitimate directories in the entertainment industry to continue operating, whilst preventing the unscrupulous practice of rogue employment agencies or individuals?
- Q6 Which do you think are the most effective or appropriate criteria for determining whether or not an organisation should be exempted from a ban on charging upfront fees?
- Q7 Do you have any alternative solutions on how the abuse of upfront fees could be stopped?
- Q8 Would you like to see a ban on the taking of an upfront fee for photographic and show reel services provided by an employment agency or a person connected with the agency?

b) Temporary workers employed through umbrella companies

Under Regulation 32, where workers are supplied to a hirer through an incorporated company, the company and the workers being supplied through the company can choose to opt-out of the Conduct Regulations. This was originally intended to provide flexibility for highly skilled professional personnel in the IT and Finance sector that wanted to operate as limited companies due to tax advantages.

In recent years, there has been an increasing trend for employment businesses supplying low skilled temporary workers to require worker-seekers to operate through a limited company. Rather than require each work-seeker to form their own limited company, employment businesses direct work-seekers to what are known as umbrella companies. When workers are supplied to work through such a company, they also have the option of an opt-out, reducing the obligations of the employment business to the workers. Once a worker has opted out, they lose all of the protections afforded to them by the Conduct Regulations. Of particular concern is the loss of protection under Regulations 5, 6, 10 and 12 which can leave the worker vulnerable to non-payment of wages and limit their ability to take up permanent employment with the hirer. This can also be detrimental to hirers and their ability to take on temporary workers on a permanent basis.

Employment businesses must get a work seeker's written agreement that they wish to opt out and cannot insist that a work-seeker does so. But there is no express prohibition on them insisting that the work seeker work through an umbrella company, which many workers may not want to do. Since April 2008 an employment business must inform the hirer if the work-seeker has opted out.

We know that low skilled workers and migrant workers whose first language is not English are more likely to be unaware of the consequences of opting out of the Conduct Regulations and the loss of protection this will incur. They are also more likely to opt out unwittingly by signing a contract and not reading the small print. In these scenarios the advantages of the opt-out lie with the employment business and we are concerned that as this model is increasingly used it will leave a larger number of agency workers vulnerable.

We want to gather evidence on this issue and gauge how much of a problem this is for vulnerable workers. If there does appear to be a problem then possible measures to address this issue might include:

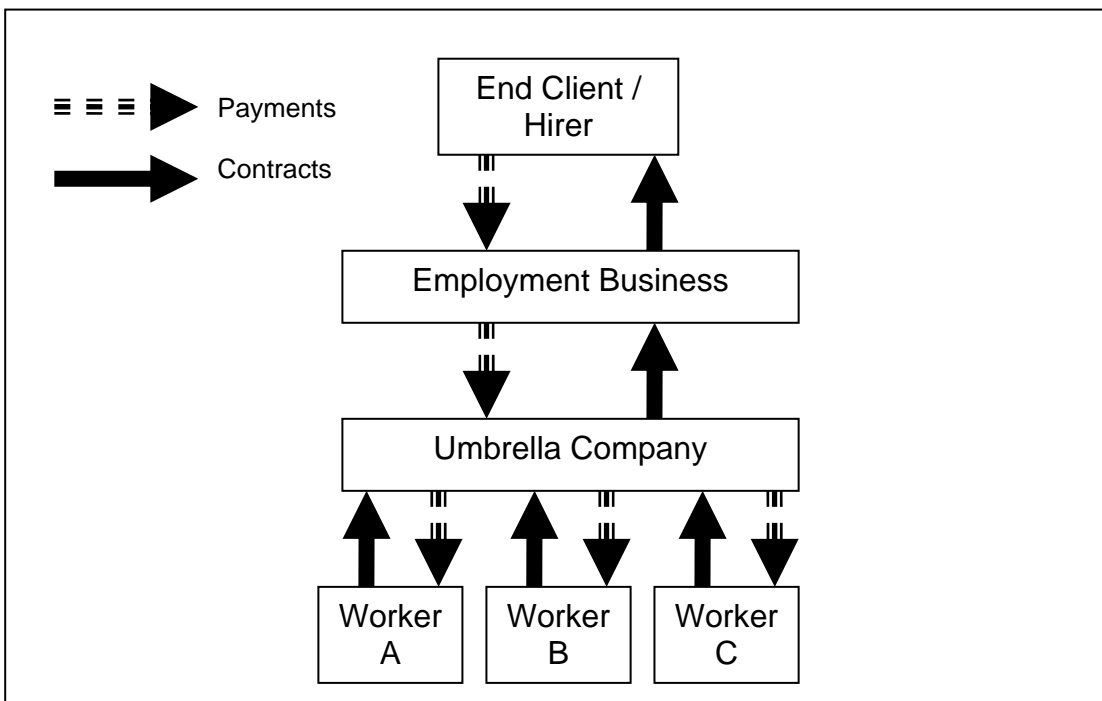
- i) Issuing better guidance for workers so they do not agree to sign an opt-out without understanding what they are agreeing to.
- ii) Repealing Regulation 32, thereby removing the ability for incorporated companies to opt out of the Conduct Regulations.
- iii) Making it an offence to make the provision of work-finding services only available to those who are incorporated or are prepared to work through an umbrella company.
- iv) Amend the Conduct Regulations so that the opt-out would not apply to certain key Regulations such as:
 - 5: Restriction on requiring a work-seeker to use additional services
 - 6: Restriction on detrimental action relating to work-seekers working elsewhere
 - 12: Prohibition on withholding payments to work-seekers
 - 10: Restriction on charges to hirers
 - 19 and 22 (as amended)
- v) Examine ways of removing the opt-out for workers employed by employment businesses through umbrella companies whilst allowing skilled limited company contractors to maintain the opt-out.

Umbrella Companies

An umbrella company acts as employer to independent contractors who work under temporary contract. The worker has an employment contract with the umbrella company. The worker is not a director, nor does he own any shares in the umbrella company.

The worker works for end clients but rather than working directly for them, he provides his services through the umbrella company. Umbrella workers range from highly skilled professionals commanding high rates for their work, to low-skilled, low-paid workers. Low-skilled workers are likely to have an employment business finding them work, acting as an intermediary between the hirer and umbrella company. In this case the hirer pays the agency, which deducts its fee and in turn pays the umbrella company for the worker's services. Generally many employees will provide their services through the same umbrella company.

Workers tend to use umbrella companies because they offer tax advantages i.e. the ability to claim expenses, with relatively low cost administration for the worker.



We would welcome your views on these proposals, and in particular, your comments on:-

- Q9 Do you have any evidence of low skilled or vulnerable workers being disadvantaged by the opt-out?
- Q10 Is there still a practical need for Regulation 32 and does it do what it was originally intended to do?

- Q11 What adjustments would need to be made if workers were no longer allowed to opt-out of the Regulations? What burdens would this add to businesses and contractors?
- Q12 What would be the impact on employment businesses if they were unable to only take work-seekers prepared to go through an incorporated company?
- Q13 Do you think certain Regulations should be exempted from the opt-out and if so which Regulations should they be?
- Q14 Would option v), restricting the opt-out to high skilled contractors, be a practical option?

Clarifying lines of responsibility and reducing regulatory burdens

c) Suitability checks for permanent recruitment

Under the Conduct Regulations all employment agencies and employment businesses are required to undertake checks as to the suitability of workers being supplied for permanent and temporary recruitment. This includes checking their identity, experience, training, qualifications and any authorisation which the hirer considers necessary, or which are required by law, or any professional body, in order to work in the position which the hirer seeks to fill. The legislation applies equally to all employment agencies and employment businesses, including online recruiters, and those employment agencies and employment businesses that have both online and offline facilities.

The Conduct Regulations place the burdens for carrying out checks on employment agencies. However, once a worker introduced to a hirer for permanent employment by an employment agency has been offered a permanent position by the hirer certain checks required to be carried out under the Conduct Regulations by an employment agency are also required by law to be carried out by the hirer. Legally agencies and hirers are therefore required to duplicate certain checks and in some cases this leads to confusion and uncertainty as to where responsibility lies. Our view is that this is an unnecessary additional burden on employment agencies. For example, the requirement that agencies should check the immigration status of permanent candidates when hirers are already obliged to check this in order to comply with immigration legislation.

We are also conscious that there has also been huge growth in the range of services offered by employment agencies and employment businesses particularly in the online sector. This increase in online recruitment has raised concerns about the extent to which online recruiters are able to check the identity and suitability of the individuals they introduce to hirers. While there are a wide variety of online recruitment models, at its simplest, this involves the swapping of

lists of vacancies and lists of CVs, together with some degree of filtering or refining by various criteria in order to match up vacancies with suitable individuals and vice versa. Currently the Conduct Regulations require both employment agencies and employment businesses to make these checks before introducing or supplying a worker, but we are aware that a number of job board models do not involve such checks and that the services they offer could not be provided if these checks were undertaken. This position is unsatisfactory as non-compliance on this scale brings enforcement into disrepute while enforcing compliance of the present regime would increase costs to the point where a number of these services were no longer economic. This would be harmful to an industry that is one of the most dynamic sectors in the UK economy, helping to reduce recruitment costs for businesses and making it easier for work-seekers to find employment. The current situation is unsatisfactory in the interests of encouraging a level playing field and ensuring that the non-compliant are not given an unfair advantage.

The Recruitment Sector

The industry consists of approximately 16,000 agencies across the UK. Most agencies are fairly small with the majority employing 5 people or less. The latest data for 2007/2008 shows the recruitment industry had a total turnover of £27 billion. Of this £4.3 billion was generated by permanent recruitment and £22.7 billion by temporary recruitment.

The industry employs over 100,000 people and helped over 725,000 people find permanent work and assisted in filling 1,220,000 temporary vacancies. The most prominent sectors for which agencies supply workers are manufacturing, transport and financial services.

According recent REC research supported by BERR, agency workers provide businesses:

- A flexible buffer that can be adjusted rapidly in the face of uncertain or fluctuating demand
- A replacement for workers on leave, or to provide cover while firms attempt to recruit permanent workers
- A system which allow firms to 'try-out' potential permanent recruits at little or no risk
- Staff for short-term ad hoc tasks

The e-recruitment market was worth approximately £0.5 billion in 2007 and has been growing at around 25% a year. The importance of this sub-sector is likely to continue to grow and take a larger share of the recruitment market.

We propose to address these issues by amending the Conduct Regulations as follows:

1. Amend Regulations 19 (a) and (b) and Regulation 22(1)(a) in order to remove the requirement for employment agencies (who introduce workers for permanent employment) to undertake suitability checks. This would mean removing the obligations for employment agencies to check:

- a) the identity of the work-seeker;
- b) that the work-seeker has the experience, training, qualifications and any authorisation which the hirer considers are necessary, or which are required by law or by any professional body, to work in the position which the hirer seeks to fill.

2. Amend Regulation 22 in order to remove the requirement for employment agencies, where they supply or introduce a work-seeker to a hirer to work with or care for children or people vulnerable by reason of their age or infirmity to obtain and provide to the hirer:

- a) copies of those qualifications and authorisations; and
- b) two references

Our view is that removing the requirement to carry out suitability checks will add clarity on who has responsibility for carrying out the checks. Essential protections will remain in place for workers, employers, and vulnerable groups while encouraging the development of new services with the potential to make the recruitment process more open and more efficient, and reducing burdens on businesses.

In particular, vulnerable groups will be protected under the Safeguarding Vulnerable Groups Act 2006 in England and Wales, with employers responsible for ensuring that workers have been appropriately vetted when working with vulnerable people. However, employment agencies will be under a duty to ensure that a check of the individual is carried out and will still have the option of carrying out checks themselves on the suitability of staff under this Act. In practice, this means that they will be under a duty to inform a hirer they have carried out the checks or to inform the hirer that no checks have been performed and the hirer will need to carry out the checks. It will be a criminal offence for agencies to place staff without ensuring a check has or will be completed.

Under the Protection of Vulnerable Groups (Scotland) Act 2007 (due to come into force in 2010) there will still be a requirement in primary legislation in Scotland that employment agencies² do not provide barred individuals to do work with vulnerable groups in Scotland and this means that agencies will normally need to do one of a new category of check.

² The definition of employment agency under the Safeguarding Vulnerable Groups Act 2006 is taken from the Conduct Regulations while the Protection of Vulnerable Groups (Scotland) Act 2007 uses its own definition of employment agencies (Section 97).

Guidance will be developed around this area to ensure employment agencies are aware of their obligations under the Acts and that they inform hirers of any obligations they are under.

However one area that we have identified where the removal of checks may have potential to leave people vulnerable is around employment agencies who supply tutors, nannies and au pairs to private individuals. Therefore we propose to address this by a combination of maintaining some of the current checking regime for workers who are engaged to work in the hirer's own home with children under 18 and providing guidance. The current checks that we would maintain are:

- Identity of the work-seeker where they will be supplied by an agency to work with or care for those under 18.
- Experience, training and qualifications they hold.
- Immigration status and whether they have a right to work in the UK with a duty to inform the hirer of this information.
- Carrying out of Criminal Records Bureau or Disclosure Scotland checks.

We will also use guidance to further strengthen the protection by directing agencies to:

- Provide copies of any qualifications to the hirer (previously an obligation)
- Obtain and provide two references to the hirer (previously an obligation)
- Check Independent Safeguarding Authority (ISA) registration under SVG Act and PVG Act (no previous requirement)

In addition, and as a consequence of the proposals above we also want to explore whether Regulation 20 (5) and (6), which requires employment agencies to inform hirers if they receive information that the worker is unsuitable within a three month period from the date of introduction could be removed, or whether there is any benefit in shortening the current period.

In summary the other provisions which would ensure that adequate protection is in place and workers would still be checked are:

- i. It is an offence for an employer to employ anybody who does not have authority to work in the UK (section 8 of the Asylum and Immigration Act 1996).
- ii. It is an offence under sections 9 and 10 of the Safeguarding Vulnerable Workers Act 2006 to employ and section 36 of the Protection of Vulnerable Groups (Scotland) Act 2007 to supply, anybody who has been barred or who is subject to monitoring and is not being monitored to work in a regulated activity. Regulated activities has a wide definition but but includes all those who work with children or those adults considered vulnerable due to the treatment they are receiving which goes beyond just those who are beyond a given age or who have a prescribed disability. The scope of those covered and the level of vetting required under this legislation is considerably wider

than under the Conduct Regulations.

- iii. Health and Safety legislation that imposes obligations on employers.
- iv. Professional bodies such as the GMC and Law Society require doctors and solicitors to check that new appointees hold professional requirements.
- v. Under the Care Standards Act 2000 and the Regulation of Care (Scotland) Act 2001, nursing and domiciliary care agencies are required to be registered with the National Care Standards Commission. Regulations made under that Act require nursing and care agencies to carry out checks on staff they supply.

It is important to stress that none of these changes would affect the obligations on employment businesses.

We would welcome your views on these proposals, and in particular, your comments on:-

- Q15 Would the removal of this requirement be of benefit?
- Q16 If you represent an employment agency what level of savings would the removal of this requirement bring to your employment agency?
- Q17 Should there be any exceptions or differences with respect to employment agencies supplying workers for work e.g. those supplied to work with vulnerable individuals?
- Q18 What checks do you consider your employment agency will undertake and what would be the best way of communicating that information to the hirer?
- Q19
 - a) Do you think Regulation 20 (5) and (6) is necessary?
 - b) How often does your employment agency inform hirers about information that has come to light during the 3 month period set out in Regulation 20 (5) and (6)?
 - c) Do you see any benefit in shortening or removing the 3 month requirement completely?
- Q20 Do you agree that the other statutory provisions that currently exist will ensure protection?

d) Requirements to agree terms with work-seekers and hirers

Under Conduct Regulations 14, 16 and 17 all employment agencies have a requirement to agree terms in respect of permanent candidates, prior to submitting candidates to clients. We are aware that this is seen by some employment agencies as not relevant/burdensome on the basis that such

requirements are the remit of the prospective employer. It can also mean the agency spends time agreeing terms with candidates before it is known if they are suitable.

Q21 We would welcome your views on whether we could simplify or remove the need to agree these terms in relation to permanent recruitment (Regulations 14, 16 and 17), whilst ensuring there was adequate information provision and protection for work-seekers, and if so how.

e) Requirements when placing advertisements

Under Regulation 27 every advertisement must include the agency or employment business's name and whether it is acting as an employment agency or employment business as well as reflecting the full nature of the position being advertised.

We are conscious that most people are unaware of the distinction between the terms employment agency and employment business. We would therefore like to explore if there is scope to simplify or improve the requirements, and in particular amend the need to state whether the services advertised are those of an employment agency or employment business. We want to explore options that reduce the costs for the industry when placing advertisements, whilst ensuring there is increased clarity for the work-seeker about whether the employment is permanent or temporary and whom they are dealing with.

Possible options could be the use of the term 'agency' to cover both permanent and temporary vacancies or the use of the words permanent and temporary.

Q22 We would welcome your views on how we could simplify or remove the requirement to state whether the services being advertised are those of an employment agency or employment business (Regulation 27), whilst ensuring the nature of the position was clear to the work-seeker.

Q23 Can you identify the level of annual saving that the removal of this requirement would bring to your employment agency or employment business? Please try and quantify in terms of potential annual savings.

Postgraduate Medical Deaneries

Deaneries³ are responsible for the recruitment and training programme of junior doctors and junior dentists to NHS employers. Junior doctors and dentists are required to use the services of a deanery in order to secure employment in the NHS training posts necessary for them to advance their medical careers either within a specialist field or general practice.

There are 15 Deaneries in England and recruitment also takes place in devolved administrations through NHS, Education for Scotland and the Wales Deanery. The total number of posts appointed to each year varies but will be no more than 15 000 with the number of applicants being approximately 30 000.

In 2006 the Deaneries, following NHS reorganisation, moved to become part of strategic health authorities. This moved them within scope of the Employment Agency Act 1973 ("the Act") for the first time and therefore subject to employment agency legislation. Deaneries were previously exempt, firstly by virtue of the exemption for universities and then by virtue of being part of the Crown, but have fallen into scope through NHS reorganisations. This was an oversight as the Act was never intended to cover Deaneries.

Deaneries do not train or employ junior doctors; they arrange training programmes for doctors which involves placing junior doctors with NHS employers. It is NHS Trusts that train and employ doctors. However, despite the dual role that deaneries play, we consider that they operate as employment agencies within the definition contained in the Act⁴ and there is currently no exemption from the legislation in place for them.

Deaneries provide an important role in ensuring that junior doctors receive appropriate training and operate differently from standard employment agencies who are not concerned with the training of the workers they place and have no on-going relationship with them. We therefore consider that it is important that deaneries remain outside scope of the employment agency legislation.

In order to revert to the previous position where the deaneries were exempt from the employment agency legislation we propose that deaneries should be made exempt from employment agencies legislation. This would restore the position to that prior to NHS reorganisation. We propose that the exemption would cover:

"Services provided by an organisation for the purpose of finding doctors and dentists postgraduate training and employment with organisations providing postgraduate training and employment or of supplying organisations providing postgraduate training and employment with doctors and dentists for postgraduate training and employment with them".

The Act gives a power to exempt by negative regulations and this power has

³ References to Deaneries also refers to the UK Foundation Programme Office which recruits doctors to the Foundation Programme.

⁴ Section 13(2)

been used on a number of occasions⁵.

Requests for further information

We consider that we have identified the key issues that require action in this consultation document. However, we would welcome views on any further measures – legislative or otherwise – that would:

- Remedy abuses not practiced by legitimate agencies, that would make a real difference to workers but would not introduce new burdens; or
- Make it easier for employment agencies and employment businesses, and hirers to comply with the legislation, without reducing essential protections for workers.

Comment or Complaints

If you have comments or complaints about the way in which this consultation has been conducted, these should be sent to:

Tunde Idowu
BERR Consultation Co-ordinator
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 2811
Fax: 020 7215 0412
Email: Babatunde.Idowu@berr.gsi.gov.uk

⁵ Employment Agencies Act 1973 (Exemption) Regulations 1976, SI 1976/710
Employment Agencies Act 1973 (Exemption) (No 2) Regulations 1979, SI 1979/1741
Employment Agencies Act 1973 (Exemption) (No 2) Regulations 1984, SI 1984/978

Consultation Response Form and Questions

The response form can be completed online at <http://tinyurl.com/d5cgwe> and your views captured electronically. The consultation closes on 11th June 2009.

Alternatively responses can be emailed or hard copies posted via the addresses below.

Employment Agency Standards Policy
BERR
Bay 485
1 Victoria Street
London
SW1H 0ET

Telephone: 020 7215 8184

Fax: 020 7215 0168

email: agencyregs2009@berr.gsi.gov.uk

Name _____

Organisation (if applicable) _____

Address _____

Please state if you are responding as an individual or representing the views of an organisation, by selecting the appropriate interest group on the consultation response form. If responding on behalf of a company or an organisation, please make it clear who the organisation represents and, where applicable, how the views of the members were assembled.

	Micro business (up to 9 staff)
	Small Enterprise (up to 49 staff)
	Medium Enterprise (50 to 250 staff)
	Large Enterprise (over 250 staff)
	Representative Organisation / Trade Association
	Trade Union or staff association
	Interest Group
	Individual
	Charity or social enterprise
	Local Government
	Central Government
	Other (please describe):

A. Upfront fees charged by entertainment and modelling agencies

Q1 How effective do you consider the cooling off period has been at preventing the unscrupulous practice of rogue recruitment agencies or individuals? Please give reasons.

Very effective quite effective not effective

Q2 If the regime were to be tightened which of the options outlined in the consultation document would be your preference? Can you explain why?

1a 1b 2

Q3 With respect to inclusion of information about the work-seeker in a publication, would the banning of taking upfront fees, damage legitimate firms/individuals working in the entertainment/modelling industry? If so, can you explain how?

Yes No No view

Q4 If there were a ban on upfront fees, what revisions would you need to make to your current business model to take this into account? Please include timescales for making these revisions.

Q5 How effective do you think Option 1b would be at allowing legitimate directories in the entertainment industry to continue operating, whilst preventing the unscrupulous practice of rogue employment agencies or individuals? Please explain why.

Very effective quite effective not effective

Q6 Which do you think are the most effective or appropriate criteria for determining whether or not an organisation should be exempted from a ban on charging upfront fees? Can you explain why?

Q7 Do you have any alternative solutions on how the abuse of upfront fees could be stopped?

Q8 Would you like to see a ban on the taking of an upfront fee for photographic and show reel services provided by an employment agency or a person connected with the agency?

Yes

No

B. Temporary Workers Employed through Umbrella Companies

Q9 Do you have any evidence of low skilled or vulnerable workers being disadvantaged by the opt-out? If so, how?

Yes

No

Q10 Is there still a practical need for Regulation 32 and does it do what it was originally intended to do?

Yes

No

Q11 What adjustments would need to be made if workers were no longer allowed to opt-out of the Regulations? Please include any burdens this would add to businesses and contractors.

Q12 What would be the impact on employment businesses if they were unable to only take work-seekers prepared to go through an incorporated company?

Q13 Do you think only certain Regulations should be exempted from the opt-out and if so which Regulations should they be?

Yes

No

Q14 Would option (v), restricting the opt-out to high skilled contractors, be a practical option? If so, how?

C. Suitability checks for permanent recruitment

Q15 Would the removal of this requirement be of benefit to your employment agency. If so, can you explain how?

Yes

No

No view

Q16 If you represent an employment agency what level of savings would the removal of this requirement bring to your employment agency? Please try and quantify in terms of potential annual savings.

Q17 Should there be any exceptions or differences with respect to employment agencies supplying workers for work e.g. those supplied to work with vulnerable individuals?

Yes

No

No view

Q18 What checks do you consider your employment agency will undertake and what would be the best way of communicating that information to the hirer?

Q19 a) Do you think Regulation 20 (5) and (6) is necessary?

Yes

No

b) How often does your employment agency inform hirers about information that has come to light during the 3 month period set out in Regulation 20 (5) and (6)?

c) Do you see any benefit in shortening or removing the 3 month requirement completely?

Yes

No

Q20 Do you agree that the other statutory provisions that currently exist will ensure protection?

Yes

No

No view

D. Requirements to agree terms with work-seekers and hirers

Q21 21) We would welcome your views on whether we could simplify or remove the need to agree these terms in relation to permanent recruitment (Regulations 14, 16 and 17), whilst ensuring there was adequate information provision and protection for work-seekers, and if so how? Please try and quantify any potential annual savings these measures would bring.

E. Requirements when placing advertisements

Q22 We would welcome your views on how we could simplify or remove the requirement to state whether the services being advertised are those of an employment agency or employment business (Regulation 27), whilst ensuring the nature of the position was clear to the work-seeker.

Q23 Can you identify the level of saving that changes to this requirement would bring to your employment agency or employment business? Please try and quantify in terms of potential annual savings.

Summary: Intervention & Options

Department /Agency: Department for Business, Enterprise & Regulatory Reform (BERR)	Title: Impact Assessment of Employment Agencies Conduct Regulations	
Stage: Consultation	Version: Final	Date: February 2009
Related Publications: Consultation Document		

Available to view or download at:

<http://www.berr.gov.uk/>

Contact for enquiries: Dhiren Patel

Telephone: (020) 7215 3945

What is the problem under consideration? Why is government intervention necessary?

- Duplication of checks in the recruitment of permanent staff via employment agencies
- Improve the protection for vulnerable workers employed via employment agencies and employment businesses.
- Correcting an anomaly relating to medical deaneries
- Reduce the admin burdens for the recruitment industry

What are the policy objectives and the intended effects?

The policy objectives are to consult on:

- Reducing duplication and improve clarity around suitability checks around permanent recruitment
- Maintaining fair treatment for workers
- Reclassify medical deaneries
- Reduce the admin burden costs on employers so that they are proportionate to risks

What policy options have been considered? Please justify any preferred option.

Policy Option 1: 1a) Do nothing 1b) Remove suitability check for agencies who introduce workers for permanent employment. 1c) Same as 1b, plus reducing 3 month period of informing hirer of new information on worker.

Policy Option 2: 2a) Do nothing 2b) Total ban on upfront fees. 2c) As 2b but directories can charge clients upfront fees in the entertainment sector 2d) Raise awareness of 7 days cooling off period.

Policy Option 3: Change position of Postgraduate Medical Deaneries.

Policy Option 4: Make amendments to Regulations: 14,16,17; 27; and 32.

See separate impact assessment (attached) for details of options in the various policy areas.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? The policy will be reviewed after 3 years of implementation. However, the Employment Agency Inspectorate (EAI) monitor and review the Regulations and complaints received on these issues on an ongoing basis.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Summary: Analysis & Evidence

Policy Option: 1b	Description: Remove suitability checks for employment agencies who introduce workers for permanent employment
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Removing suitability checks for employment agencies would not incur a cost for the agency or the employer. This is because, by law, employers have to carry out their own suitability checks when they hire permanent workers from agencies.
	One-off (Transition)	Yrs	
	£ 0m		
	Average Annual Cost (excluding one-off)		
	£ 0m		
Total Cost (PV)			£ 0m
Other key non-monetised costs by 'main affected groups' None.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' There were around 727k workers placed into permanent employment. Therefore agencies should save around £726k per year from a reduction in admin burdens.
	One-off	Yrs	
	£ 0m		
	Average Annual Benefit (excluding one-off)		
	£ 681k		
Total Benefit (PV)			£ 5.9m
Other key non-monetised benefits by 'main affected groups' None.			

Key Assumptions/Sensitivities/Risks PricewaterhouseCoopers (PwC's) estimate for information obligation (IO) 28512 is over the number of 15,000 agencies rather than the number of agency workers. Therefore, we apportioned the savings of this IO over the number of workers placed into permanent employment via an agency.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 5.5m to 6.5m	NET BENEFIT (NPV Best estimate) £ 5.9m
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What is the geographic coverage of the policy/option?			UK		
On what date will the policy be implemented?			October 2009		
Which organisation(s) will enforce the policy?			EAI		
What is the total annual cost of enforcement for these organisations?			£ NK		
Does enforcement comply with Hampton principles?			Yes		
Will implementation go beyond minimum EU requirements?			No		
What is the value of the proposed offsetting measure per year?			£ N/A		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)		
Increase of	£ 0k	Decrease of	£ 631k	Net Impact	£ -631k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 1c	Description: Same as Option 1b, plus reducing the 3 month period in which the agency has to inform the hirer if new information arises about the worker
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Same as Option 1b. In addition, reducing the 3 month period shouldn't increase costs as if the employer does its own checks (which it has to by law), then it should be informed of any changes in circumstances from whomever they contacted to get the information about the worker.
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
£ 0m		Total Cost (PV)	£ 0m
Other key non-monetised costs by 'main affected groups' None.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Same as Option 1b, plus a reduction in admin burdens of around £173k per year due to a simplification in Regulation 20(5)&(6) (IO 28315). Therefore aggregate benefit is around £854k per year.
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
£ 854k		Total Benefit (PV)	£ 7.4m
Other key non-monetised benefits by 'main affected groups' None.			

Key Assumptions/Sensitivities/Risks Assumes that for around 1% of the 727k permanent workers, the agency gets information that they are unsuitable, and for illustration purposes we further assume that around half of these cases would not arise due to a shorter period.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 7m to 8m	NET BENEFIT (NPV Best estimate) £ 7.4m
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	October 2009
Which organisation(s) will enforce the policy?	EAI
What is the total annual cost of enforcement for these organisations?	£ NK
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£ N/A
What is the value of changes in greenhouse gas emissions?	£ N/A
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro NK
Are any of these organisations exempt?	No
	Small NK
	Medium NK
	Large NK

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£ 0m	Decrease of	£ 791k
		Net Impact	£ -791k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 2b	Description: Total ban on upfront fees
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Agencies would have to produce a publication, but would not be able to recoup this cost. Therefore the cost to agencies would be around £2m per year. This is based on anecdotal evidence that around 10,000 people join these agencies and get charged around £200 for a publication.	
	One-off (Transition)	Yrs		
	£ 0m	0		
	Average Annual Cost (excluding one-off)			
	£ 2m		Total Cost (PV)	£ 17m
Other key non-monetised costs by 'main affected groups' None.				

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' The banning of upfront fees would result in a saving of around £2m for models and entertainers seeking work. This is based on anecdotal evidence that around 10,000 people join these agencies and get charged around £200 for a publication.	
	One-off	Yrs		
	£ 0m	0		
	Average Annual Benefit (excluding one-off)			
	£ 2m		Total Benefit (PV)	£ 17m
Other key non-monetised benefits by 'main affected groups' None.				

Key Assumptions/Sensitivities/Risks Anecdotal evidence suggests that there are around 10,000 model and entertainment agencies and they charge an upfront fee of around £200.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 0m	NET BENEFIT (NPV Best estimate) £ 0m
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	October 2009
Which organisation(s) will enforce the policy?	EAI
What is the total annual cost of enforcement for these organisations?	£ NK
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£ N/A
What is the value of changes in greenhouse gas emissions?	£ N/A
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro NK Small NK Medium NK Large NK
Are any of these organisations exempt?	No No N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ 0m	Decrease of £ 0m	Net Impact £ 0m

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 2c	Description: As option 2b but with an exemption that allows directories to charge clients upfront fees in the entertainment sector
--------------------------	---

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Agency directories not in the entertainment sector would have to produce a publication, but would not be able to recoup this cost. Therefore the cost to these agencies would be around £800k per year. This is based on anecdotal evidence that around 40% of the 10,000 people that join these agencies get charged around £200 for a publication.
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
	£ 800k		
Total Cost (PV)			£ 7m
Other key non-monetised costs by 'main affected groups' None			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'. The banning of upfront fees would result in a saving of around £800k for individuals that seek work as models. This is based on anecdotal evidence that around 40% of the 10,000 people that join these agencies get charged around £200 for a publication.
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
	£ 800k		
Total Benefit (PV)			£ 7m
Other key non-monetised benefits by 'main affected groups' None.			

Key Assumptions/Sensitivities/Risks Anecdotal evidence suggests that around 60% of the 10,000 people that join these agencies, do so in order to seek work in the employment sector.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 0m	NET BENEFIT (NPV Best estimate) £ 0m
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What is the geographic coverage of the policy/option?				UK	
On what date will the policy be implemented?				October 2009	
Which organisation(s) will enforce the policy?				EAI	
What is the total annual cost of enforcement for these organisations?				£ NK	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ N/A	
What is the value of changes in greenhouse gas emissions?				£ N/A	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)
Increase of	£ 0m	Decrease of	£ 0m
Net Impact			£ 0m

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 2d	Description: Invest in raising awareness of 7 day cooling off period, providing a refund should no publication materialise & ban the taking of post-dated cheques or credit/debit card impressions
--------------------------	---

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Agency's would have to inform clients of the 7 day notice period. We use PwC IO 28345 as a proxy of giving notice to the work-seeker of the 7 day notice period.
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
	£ 133k	Total Cost (PV) £ 1.1m	
Other key non-monetised costs by 'main affected groups' Cost to agency of chasing up payment and providing a refund. Cost to individual of obtaining a refund if agency fails to notify them.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Assumes that for 25% to 30% of individuals that join these agencies, no publication materialises. Therefore they would benefit from a refund.
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
	£ 375k to 450k	Total Benefit (PV) £ 3.2m to 3.9m	
Other key non-monetised benefits by 'main affected groups' None.			

Key Assumptions/Sensitivities/Risks Assumes that there are around 10,000 model and entertainment agencies and they charge an upfront fee of around £150.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 2.1m to 2.7m	NET BENEFIT (NPV Best estimate) £ 2.4m
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	October 2009			
Which organisation(s) will enforce the policy?	EAI			
What is the total annual cost of enforcement for these organisations?	£ NK			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£ 123k	Decrease of	£ 0k
		Net Impact	£ 123k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 3	Description: Change position of Postgraduate Medical Deaneries
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None.	
	One-off (Transition)	Yrs		
	£ 0m	0		
	Average Annual Cost (excluding one-off)			
	£ 0m		Total Cost (PV)	£ 0m
Other key non-monetised costs by 'main affected groups' None				

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Not Known (NK).	
	One-off	Yrs		
	£ 0m	0		
	Average Annual Benefit (excluding one-off)			
	£ NK		Total Benefit (PV)	£ NK
Other key non-monetised benefits by 'main affected groups' Medical Deaneries would no longer be classified as agencies, thus correcting the anomaly created during the 2006 NHS re-organisation. In addition, there are no risks for Deaneries of having to comply with employment agency regulations.				

Key Assumptions/Sensitivities/Risks None.

Price Base Year N/A	Time Period Years 0	Net Benefit Range (NPV) £ NK	NET BENEFIT (NPV Best estimate) £ NK
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	October 2009			
Which organisation(s) will enforce the policy?	DH			
What is the total annual cost of enforcement for these organisations?	£ NK			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro N/A	Small N/A	Medium N/A	Large N/A
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of	£ 0m	Net Impact £ 0m
Decrease of	£ 0m	

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 4.1b	Description: Remove the requirement to agree terms with work-seekers in respect of permanent candidates. Terms will instead be agreed when the work-seeker gets a job
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None.	
	One-off (Transition)	Yrs		
	£ 0m	0		
	Average Annual Cost (excluding one-off)			
	£ 0m		Total Cost (PV)	£ 0m
Other key non-monetised costs by 'main affected groups' None.				

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Admin burdens for agencies would fall. There were around 727k workers placed into permanent employment in 2007/08.	
	One-off	Yrs		
	£ 0m	0		
	Average Annual Benefit (excluding one-off)			
	£ 75k		Total Benefit (PV)	£ 642k
Other key non-monetised benefits by 'main affected groups' None				

Key Assumptions/Sensitivities/Risks Opinion Research Corporation (ORC's) estimate for IO 28282 is over the number of 15,000 agencies rather than the number of agency workers. Therefore, we apportioned the savings of this IO over the number of workers placed into permanent employment via an agency.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 600k to 700k	NET BENEFIT (NPV Best estimate) £ 642k
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What is the geographic coverage of the policy/option?			UK		
On what date will the policy be implemented?			October 2009		
Which organisation(s) will enforce the policy?			EAI		
What is the total annual cost of enforcement for these organisations?			£ NK		
Does enforcement comply with Hampton principles?			Yes		
Will implementation go beyond minimum EU requirements?			No		
What is the value of the proposed offsetting measure per year?			£ N/A		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (ORC Interim Results - 2008 Prices)			(Increase - Decrease)		
Increase of	£ 0m	Decrease of	£ 75k	Net Impact	£ -75k

Summary: Analysis & Evidence

Policy Option: 4.2b

Description: Remove the obligation to specify whether the hirer is acting as an employment agency or employment business

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' NK
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
	£ NK		Total Cost (PV) £ NK
Other key non-monetised costs by 'main affected groups' Work-seeker would not know if the hirer is an employment agency or an employment business. However, the impact would be small as anecdotal evidence suggests that most individuals do not know the difference between an employment agency and employment business.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Agencies and employment businesses would no longer have to state if it is an agency or business.
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
	£ 100k		Total Benefit (PV) £ 857k
Other key non-monetised benefits by 'main affected groups' None.			

Key Assumptions/Sensitivities/Risks PwC IO 2029 includes 2 parts: 1. Agency must state full name and 2. Agency must state if it is an agency or business. We assume that by removing the 2nd obligation, the cost of this IO would fall by 50%.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 800k to 900k	NET BENEFIT (NPV Best estimate) £ 857k
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What is the geographic coverage of the policy/option?			UK		
On what date will the policy be implemented?			October 2009		
Which organisation(s) will enforce the policy?			EAI		
What is the total annual cost of enforcement for these organisations?			£ NK		
Does enforcement comply with Hampton principles?			Yes		
Will implementation go beyond minimum EU requirements?			No		
What is the value of the proposed offsetting measure per year?			£ N/A		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)	
Increase of	£ 0k	Decrease of	£ 92k	Net Impact £ -92k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 4.3b

Description: Repeal Regulation 32 in its entirety

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None.
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
	£ 0m		Total Cost (PV) £ 0m
Other key non-monetised costs by 'main affected groups' None.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Using PwC admin burdens exercise, by repealing Regulation 32 (IO 28393), businesses could save around £14m per year (using 2008 prices).
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
	£ 14m		Total Benefit (PV) £ 120m
Other key non-monetised benefits by 'main affected groups' This option would not leave the worker vulnerable to non-payment and the employer would be able to transfer a worker from a temporary contract to a permanent contract.			

Key Assumptions/Sensitivities/Risks Assumes that the number of businesses using Regulation 32 in 2005 stays roughly the same for 2008.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 100m to 150m	NET BENEFIT (NPV Best estimate) £ 120m
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What is the geographic coverage of the policy/option?			UK		
On what date will the policy be implemented?			October 2009		
Which organisation(s) will enforce the policy?			EAI		
What is the total annual cost of enforcement for these organisations?			£ NK		
Does enforcement comply with Hampton principles?			Yes		
Will implementation go beyond minimum EU requirements?			No		
What is the value of the proposed offsetting measure per year?			£ N/A		
What is the value of changes in greenhouse gas emissions?			£ N/A		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)	
Increase of	£ 0m	Decrease of	£ 12.9m	Net Impact £ -12.9m

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 4.3c	Description: Issue better guidance for workers
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Admin burdens for agencies would rise under this option. PwC or ORC estimates could not be used as an IO proxy could not be found.
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
£ 3.5m to 7m			Total Cost (PV)
			£ 30m to 60m
Other key non-monetised costs by 'main affected groups' None.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' NK
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
£ NK			Total Benefit (PV)
			£ NK
Other key non-monetised benefits by 'main affected groups' This option would not leave the worker vulnerable to non-payment.			

Key Assumptions/Sensitivities/Risks Assumes that 40% (520k) of the 1.35m agency workers would need guidance, and it takes around 30 minutes to 1 hour for the agency staff to explain the opt-out. In addition, we use Annual Survey of Hours & Earnings (ASHE) 2008 data, which shows that agency staff gets around £13 per hour (this includes a 21% mark-up for non-wage costs).

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ -30m to -60m	NET BENEFIT (NPV Best estimate) £ -45m
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	October 2009
Which organisation(s) will enforce the policy?	EAI
What is the total annual cost of enforcement for these organisations?	£ NK
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£ N/A
What is the value of changes in greenhouse gas emissions?	£ N/A
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro NK Small NK Medium NK Large NK
Are any of these organisations exempt?	No No N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ NK	Decrease of £ 0m	Net Impact £ NK (Increase)

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 4.3d

Description: Make it an offence to make the provision of work-finding services only available to those who are incorporated or are prepared to work through a composite company

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None
	One-off (Transition)	Yrs	
	£ 0m	0	
	Average Annual Cost (excluding one-off)		
	£ 0m	Total Cost (PV)	£ 0m
Other key non-monetised costs by 'main affected groups' None			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' NK
	One-off	Yrs	
	£ 0m	0	
	Average Annual Benefit (excluding one-off)		
	£ NK	Total Benefit (PV)	£ NK
Other key non-monetised benefits by 'main affected groups' This option would not leave workers vulnerable to non-payment as they would not be forced to opt-out of certain regulations.			

Key Assumptions/Sensitivities/Risks N/A

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ NK	NET BENEFIT (NPV Best estimate) £ NK
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	October 2009			
Which organisation(s) will enforce the policy?	EAI			
What is the total annual cost of enforcement for these organisations?	£ NK			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro NK	Small NK	Medium NK	Large NK
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£ 0m	Decrease of	£ 0m
		Net Impact	£ 0m

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 4.3e	Description: Make opt-out not apply to certain key Regulations, such as Regulation 6 (restriction on detrimental action relating to work-seekers working elsewhere) and Regulation 10 (restriction on charges to hirers)
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' None.	
	One-off (Transition)	Yrs		
	£ 0m	0		
	Average Annual Cost (excluding one-off)			
	£ 0m		Total Cost (PV)	£ 0m
Other key non-monetised costs by 'main affected groups' None.				

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' NK	
	One-off	Yrs		
	£ 0m	0		
	Average Annual Benefit (excluding one-off)			
	£ NK		Total Benefit (PV)	£ NK
Other key non-monetised benefits by 'main affected groups' This option would not leave workers vulnerable to non-payment as they would not be forced to opt-out of certain regulations and employers would be able to transfer a worker from a temporary contract to a permanent contract.				

Key Assumptions/Sensitivities/Risks N/A.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ NK	NET BENEFIT (NPV Best estimate) £ NK
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	October 2009
Which organisation(s) will enforce the policy?	EAI
What is the total annual cost of enforcement for these organisations?	£ NK
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£ N/A
What is the value of changes in greenhouse gas emissions?	£ N/A
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro NK Small NK Medium NK Large NK
Are any of these organisations exempt?	No No N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ 0m	Decrease of £ 0m	Net Impact £ 0m

Key: Annual costs and benefits: Constant Prices (Net) Present Value

A. Strategic Overview

The Government is planning to launch a consultation on the Employment Agency Standards Conduct Regulations 2003 to improve the protection afforded to vulnerable workers, reduce the administrative (admin) burdens faced by industry and take Medical Deaneries out of the scope of the Employment Agencies Act 1973 (also known as “the Act”).

Definitions of employment agencies and employment businesses

There is often confusion about the differences between employment agencies and employment businesses. To clarify:

Employment agencies introduce workers to hirers for permanent employment. The worker subsequently becomes the employee of the hirer and has no further contractual relationship with the agency. Work-seekers looking for permanent employment would, therefore, use the services of an employment agency.

Employment businesses introduce workers to hirers for temporary work only. The employment business (also known as temp agencies) will place a worker with a hirer to work. The worker’s contractual relationship is with the employment business and it is the employment business that is responsible for paying the worker and managing annual leave etc. These workers are often known as agency workers, hence the confusion over the terms employment agency and employment business.

Recruitment businesses that do both.

Some recruitment businesses offer both temporary and permanent vacancies. A work-seeker’s relationship with this type of recruiter depends on the nature of the vacancy they are applying for.

For example if a work-seeker is looking for a job on an online jobs board⁽¹⁾ and applies for a permanent vacancy, the recruiter must act as an employment agency in their dealings with the work-seeker. If the work-seeker was using the same recruiter and applied for a temporary job then that recruiter’s relationship with the work-seeker is as an employment business and it must act accordingly.

⁽¹⁾ An online jobs board is an internet site where job vacancies are posted (vacancies could be permanent or temporary).

B. Issue

B.1 Groups Affected

The groups that would be affected by the proposed changes are; all employment agencies and employment businesses, work-seekers and hirers that use their services.

Specifically changes to:

- Regulation 26 would impact modelling and entertainment agencies, certain trade press in this sector and 'vulnerable work-seekers'.
- Regulation 32 would impact on anyone who is employed through an incorporated company.
- Regulations 14, 16, 17, 19, 20, 22, and 27 would have an impact on employment agencies and employment businesses and to a lesser extent work-seekers and hirers.
- The Medical Deaneries exemption would have an impact on Deaneries.

The full regulations are available from <http://www.opsi.gov.uk/si/si2003/20033319.htm>

B.2 Consultation

Within Government

The Department for Business, Enterprise and Regulatory Reform (BERR) has developed these proposals in consultation with the following Government departments: Department for Children, Skills and Families (DCSF), Health and Safety Executive (HSE), Department for Work and Pensions (DWP), Home Office (HO) and Department of Health (DH).

Public Consultation

This partial impact assessment (IA) accompanies a formal public consultation.

B.3 Rationale for Government intervention

Policy Objective 1: Checking Suitability for Permanent Recruitment

In the absence of Government intervention, there is a risk that agencies are duplicating the work, with respect to suitability checks for permanent recruitment that the employer has to do by law. As a result, inefficiencies arise as both the agency and the employer carry out the checks, when it is possible that only one of the parties would have to do this.

Policy Objective 2: Fees payable by entertainers and models

In the absence of Government intervention, there is a risk that some vulnerable agency workers will continue to be mistreated as a result of certain work practices carried out by a minority of businesses and agencies who act in ways the vast majority of agencies would never consider, and who, in doing so, cut corners at the expense of workers and gain an unfair commercial advantage at the expense of reputable agencies.

Policy Objective 3: Position of Postgraduate Medical Deaneries

In 2006 the Deaneries, following NHS re-organisation, moved to become part of strategic health authorities. This moved them within scope of the Employment Agencies Act 1973 and therefore subject to employment agency legislation. In the absence of Government intervention, Deaneries would continue to fall under the employment agencies legislation, when it should be exempt from the Act as Deaneries are not employment agencies.

Policy Objective 4: Miscellaneous Regulation Changes

In the absence of Government intervention, there is a risk that some vulnerable agency workers will continue to be mistreated as a result of certain work practices carried out by a minority of businesses and agencies who act in ways the vast majority of agencies would never consider, and who, in doing so, cut corners at the expense of workers and gain an unfair commercial advantage at the expense of reputable agencies. In addition, there is the risk that some of these regulations pose admin burdens on agencies.

C. Objectives

C1. Objectives

Policy Objective 1: Checking Suitability for Permanent Recruitment

The objective is to consult on the extent to which the Government can reduce regulatory burdens, clarify lines of responsibility, address overlap and eliminate duplication in respect of suitability checks for workers introduced by employment agencies for permanent employment.

Policy Objective 2: Fees payable by entertainers and models

The objective is to look again at the fees entertainment and modelling agencies charge with a view to proposing a ban on the taking of upfront fees altogether. Evidence suggests that despite the introduction of the 7 day cooling off period, some agencies continue to abuse it.

Policy Objective 3: Position of Postgraduate Medical Deaneries

The objective is to correct an anomaly where, as a result of NHS re-organisation, Deaneries now fall within the scope of the Employment Agencies Act and are subject to employment agency legislation. Deaneries were previously exempt and it was never the intention that they be covered by the Act.

Policy Objective 4: Miscellaneous Regulation Changes

The objective is to consult on the extent to which the Government can reduce regulatory burdens in areas such as the requirements to agree terms with work-seekers and hirers in respect of permanent recruitment; and the requirements when placing advertisements. In addition this policy objective aims to look at the protection for temporary workers being employed by umbrella companies.

C.2 Background

Vulnerable workers

Regulation	Relevant Information Obligations (IO)	
26: Charging of upfront fees by entertainment and modelling agencies.	IO 28345 (used as proxy)	Giving notice to the work-seeker of arrangements to pay fares or offer free travel for the work-seeker's journey to the place of work including details of free travel or payment of fares, including any conditions on which they are offered.
32: Amendments to regulations that allow temporary workers employed through umbrella companies to opt-out of the Conduct Regulations.	IO 28393	Providing notice to an agency/employment business of an agreement that you (as a company work-seeker) or persons that you supply would not be covered by these regulations (concerning conduct of employment agencies and businesses).

Reducing Admin Burdens for the Industry

Regulation	Relevant Information Obligations (IO)	
19, 20, 22: Reduce the duty for employment agencies, involved in recruitment of permanent workers, to carry out suitability checks when placing work-seekers with an employer.	IO 28512	Obtaining confirmation of required information prior to introducing or supplying a work-seeker to a hirer.
	IO 28315	Informing the hirer of a work-seeker that he/she may be unsuitable for the position in which they have been employed.
14, 16, 17: Remove obligations to agree terms with workers in case of permanent recruitment.	IO 28282	Sending a copy of the agreed terms to the hirer (unless hirer already has a copy) before first providing services.
27: Simplify the requirements for employment agencies and employment businesses when advertising vacancies.	IO 2029	Ensuring that every advert you issue mentions the details stated in the regulation.

Exempting Medical Deaneries

- Exempt Postgraduate Medical Deaneries from the Employment Agencies Act, who following re-organisation of the NHS are now within scope of, and therefore subject to employment agency legislation. This is an anomaly. Deaneries were previously exempt and it was never the intention that they be within the scope of the Act.

D. Options

Policy Objective 1: Checking Suitability for Permanent Recruitment

Option 1a is to make no changes (do nothing).

Option 1b Amend Regulations 19 (a) & (b) and Regulation 22 in order to remove the requirement for employment agencies (who introduce workers for permanent employment) to undertake suitability checks.

Regulations 19 (a) & (b): Remove the need for employment agencies to carry out checks on the identity of the work-seeker or any checks that the work-seeker has the experience,

training, qualifications and any authorisation which the hirer considers are necessary, or which are required by law or by any professional body, to work in the position which the hirer seeks to fill.

Regulation 22: When supplying a work-seeker that will be involved with vulnerable workers then no need to provide:

1. Copies of the qualifications and authorisations,
2. Two references, and
3. Take other steps to ensure that the work-seeker is not unsuitable.

Option 1c is to do the same as Option 1b, plus consult on whether Regulation 20 (5) & (6), (which require an agency to inform the hirer if they receive or obtain information that the worker is unsuitable) is necessary and/or whether there is any benefit in shortening the current 3 month period (after which the obligation lapses).

Policy Objective 2: Fees payable by entertainers and models

Option 2a is to make no changes (do nothing).

Option 2b involves a total ban on upfront fees for individuals seeking work in the entertainment and modelling sector.

Option 2c is the same as option 2b but with an exemption that allows directories to charge clients upfront fees in the entertainment sector.

Option 2d proposes to tighten existing regulations (combined with targeted awareness campaign) by amending to include:

- Requirement to notify clients in writing about 7 day cooling off period & right to cancel;
- Ban on taking of credit card impressions/post dated cheques;
- Provision for refund if no publication produced or circulated; and
- Explicit reference to assessment fees not being permissible.

Policy Objective 3: Position of Postgraduate Medical Deaneries

Option 3a is to make no changes (do nothing).

Option 3b proposes to exempt Postgraduate Medical Deaneries from the employment agency legislation.

Policy Objective 4: Miscellaneous Regulation Changes

REGULATIONS 14, 16, 17: Obligations to agree terms with workers in case of permanent recruitment

Option 4.1a is to make no changes (do nothing).

Option 4.1b involves removing the requirement to agree terms with work-seekers in respect of permanent candidates. Prior to submitting candidates to clients, terms must be agreed. This option proposes to remove these so that terms will instead be agreed when the work-seeker gets a job.

REGULATION 27: Advertisements

Option 4.2a is to make no changes (do nothing).

Option 4.2b is to simplify advertising requirements by removing the obligation to specify whether the hirer is acting as an employment agency or employment business.

REGULATION 32: Application of the Regulations to work-seekers which are incorporated

Option 4.3a is to make no changes (do nothing).

Option 4.3b involves repealing Regulation 32 in its entirety.

Option 4.3c is to issue better guidance for workers so they do not agree to sign an opt-out without understanding what they are agreeing to.

Option 4.3d is to make it an offence to make the provision of work-finding services only available to those who are incorporated or are prepared to work through a composite company.

Option 4.3e is to make opt-out not apply to certain key Regulations such as; Regulation 6 (restriction on detrimental action relating to work-seekers working elsewhere) and Regulation 10 (restriction on charges to hirers).

E. Costs and Benefits

For the majority of the policy options, the savings or costs arise due to a change in admin burdens. To estimate these increases or reductions in this IA, we shall be using Opinion Research Corporation (ORC) International's Employment Law Administrative Burden Measurement Research 2008 interim results⁶. Where ORC have not estimated the cost for an IO, we will use PricewaterhouseCoopers (PwC) 2005 admin burdens exercise.

Policy Objective 1: Checking Suitability for Permanent Recruitment

General Assumptions and Data

- PwC's 2005 admin burdens exercise estimates that there are around 15,000 agencies. In order to calculate the reduction or increase in admin burdens, we have to use this figure.
- The Recruitment and Employment Confederation's (REC) Annual Industry Turnover and Key Volumes Survey 2007/8 found that around 726,863 workers were placed into permanent employment via an agency.
- BERR's Survey of Recruitment Agencies (SORA) 2007 showed that there are around 1.5m temporary agency workers in the UK, and REC's survey found that there are around 1.2m. We use a mid-figure between the 2 surveys of around 1.35m.

Option 1b – Remove suitability checks for employment agencies who introduce workers for permanent employment

Costs

Removing suitability checks for employment agencies would not incur a cost for the agency or the employer. This is because, by law, employers have to carry out their own suitability checks when they hire permanent workers from agencies.

Benefits

As agencies would no longer be required to carry out suitability checks, they should benefit from a decrease in admin burdens.

To estimate the reduction in admin burdens, we use PwC's 2005 admin burdens exercise estimates. The IO that corresponds to this regulation is IO 28512. The cost of this IO to an agency is around £120 (2005 prices). Apportioning this cost over the number of

⁶ The Final IA will be published containing the definitive estimates.

permanent workers⁷, the aggregate savings (from a decrease in admin burdens) would be around £631k per year (£681k per year for 2008 prices⁸).

Option 1c – Same as Option 1b, plus reducing the 3 month period in which the agency has to inform the hirer if new information arises about the worker

Costs

As stated in Option 1b, there would be no costs involved from removing the requirement for the agency to carry out suitability checks on workers being placed into permanent employment. In addition, reducing the 3 month period shouldn't increase costs as if the employer does its own checks (which it has to by law), then it should be informed of any changes in circumstances from whomever they contacted to get the information about the worker.

Benefits

This option would have the same benefits as option 1b.

In addition, the PwC admin burdens exercise estimates that the cost of Regulation 20(5) & (6) (IO 28315) is around £44 per work-seeker (2005 prices). Anecdotal evidence suggests that a small number of hirers receive new information about a worker. Therefore, if under the assumption that for around 1% of the 727k permanent workers, the agency gets information that they are unsuitable, and for illustration purposes we further assume that around half of these cases would not arise due to a shorter period, the aggregate saving (from a decrease in admin burdens) would be around £161k per year (£173k per year for 2008 prices).

Therefore the aggregate benefit (which includes the benefits from Option 1b) of this option would be around £791k per year (£854k per year for 2008 prices).

Policy Objective 2: Fees payable by entertainers and models

General Assumptions and Data

- Anecdotal evidence suggests that the upfront fee may be around £200.
- Anecdotal evidence suggests that around 10,000 people per year join these agencies.⁹
- Anecdotal evidence suggests that around 60% of the 10,000 people join these agencies to seek work in the entertainment sector.

Option 2b – Total ban on upfront fees

Costs

The banning of upfront fees would impose a cost to modelling and entertainment agencies as they would still have to publish a portfolio for their worker, but would not be able to recover the cost of the publication. It is not possible to accurately estimate the costs of this policy in the absence of better data. However, using anecdotal evidence, the aggregate cost of this option would be around £2m per year (2008 prices).

Benefits

The banning of upfront fees would result in a saving for models and entertainers seeking work. Therefore, the aggregate benefit would be around £2m per year (2008 prices).

Option 2c – Same as option 2b but with an exemption that allows directories to charge clients upfront fees in the entertainment sector

⁷ (Cost of IO / Number of workers per agency) * Number of Workers Placed into Permanent Recruitment. Where: Number of Workers per Agency = (Permanent Workers + Temporary Workers) / Number of Agencies.

⁸ Using Her Majesty's Treasury's (HMT) Gross Domestic Product (GDP) deflator figures.

⁹ These figures were used in the 2007 IA on Protecting Vulnerable Agency Workers. We are assuming that these numbers have not changed by a great amount.

Costs

The costs of this option would be similar to those in option 2b, but smaller as directories in the entertainment sector would be able to charge upfront fees. It is not possible to accurately estimate the costs of this policy in the absence of better data. However, anecdotal evidence suggests that around 40% of the 10,000 people that join these agencies do so in order to seek work that is not in the entertainment sector. Therefore, the aggregate cost to agencies of this option would be around £800k per year (2008 prices).

Benefits

The benefits of this option would be similar to those in option 2b, but smaller as directories in the entertainment sector would be able to charge upfront fees. It is not possible to accurately estimate the benefits of this policy in the absence of better data. However, using anecdotal evidence, the aggregate benefit of this option would be around £800k per year (2008 prices).

Option 2d – Invest in raising awareness of 7 day cooling off period, providing a refund should no publication materialise & ban the taking of post-dated cheques or credit/debit card impressions

Costs

Under this option, the agency would have to inform all new clients of the 7 day cooling off period in writing. PwC or ORC does not have a specific IO for this regulation. However, if we use PwC's IO 28345¹⁰ as a proxy, the increase in admin burdens would be around £12 per individual. Therefore the aggregate cost would be around £123k per year (£133k per year 2008 prices).

Given that under this proposal the agency would have to refund the fee should no publication materialise after a certain period, poses a possible cost for the agency and a cost to the individual. Costs for agencies would increase as it would have to refund the money that it owes the work-seeker. In addition, there would be costs to agencies of chasing up individuals for payment as they cannot take a post-dated cheque or credit/debit card impression. This option would also pose costs to the work seeker (individual), as they would have to chase up the agency to get their money back, if the agency fails to notify them of the refund. In the absence of better data it is difficult to estimate these costs.

Benefits

It is not possible to accurately estimate the benefits from this policy in the absence of better data. However, if we assume that for around 25% to 30% of the 10,000 people who join these agencies no publication materialises, then the benefit from a refund would amount to around £375k to £450k per year (2008 prices).

Policy Objective 3: Position of Postgraduate Medical Deaneries

Option 3b – Change position of Postgraduate Medical Deaneries

Costs

Under this option Postgraduate Medical Deaneries will not fall under the Employment Agency Act. We estimate that there would be no costs involved as Deaneries were not considered as employment agencies prior to the 2006 NHS re-organisation and changing them back to their pre-2006 status would have no impact.

¹⁰ Giving notice to the work-seeker of arrangements to pay fares or offer free travel for the work-seeker's journey to the place of work including details of free travel or payment of fares, including any conditions on which they are offered.

Benefits

The benefit of this option would be that Deaneries would no longer be classified as employment agencies. In addition, there are no risks for Deaneries of having to comply with employment agency regulations.

Policy Objective 4: Miscellaneous Regulation Changes

General Assumptions and Data

- Data from ASHE 2008 shows that the average pay of a labour recruiter is around £11 per hour. Assuming a 21% mark-up to include non-wage costs, total hourly pay would be around £13 per hour.
- PwC's 2005 admin burdens exercise estimates that there are around 15,000 agencies. In order to calculate the reduction or increase in admin burdens, we have to use this figure.
- REC's survey found that around 726,863 workers were placed into permanent employment via an agency in 2007/08.
- SORA showed that there are around 1.5m temporary agency workers in the UK, and REC's survey found that there are around 1.2m. We use a mid figure between the 2 surveys of around 1.35m.

REGULATION 14, 16, 17

Option 4.1b – Remove the requirement to agree terms with work-seekers in respect of permanent candidates. Terms will instead be agreed when the work-seeker gets a job

Costs

Removing the requirement to agree terms with work-seekers in respect of permanent candidates would not pose any costs.

Benefits

To estimate the reduction in admin burdens for this option, we use ORC's interim results for IO 28282. The cost of this IO to an agency is around £14 (2008 prices). Apportioning this cost over the number of permanent workers, the aggregate savings (from a decrease in admin burdens) would be around £75k per year (2008 prices).

REGULATION 27

Option 4.2b – Remove the obligation to specify whether the hirer is acting as an employment agency or employment business

Costs

The cost of this option would be that the work seeker will not know if the hirer is an employment agency or an employment business. However, the impact would be small as anecdotal evidence suggests that most individuals do not know the difference between an employment agency and employment business.

Benefits

Employment agency and employment business would save some money from not printing its status as an agency or business. The PwC admin burdens exercise estimates that the cost of Regulation 27 (IO 2029) is around £12 per agency. However this IO also includes that the advert must state the full name of the agency/employment business. We assume that by taking out the requirement to state whether the hirer is acting as an agency or employment business, costs could fall by 50%. Consequently, each agency should save around £6 per year. Therefore, the aggregate reduction in admin burdens would be around £92k per year (£100k per year 2008 prices).

REGULATION 32

Option 4.3b Repeal Regulation 32 in its entirety

Costs

There would be no costs involved in repealing Regulation 32.

Benefits

The PwC admin burdens exercise estimates that the cost of Regulation 32 (IO 28393) is around £32 per number of businesses receiving work seekers from employment agencies. In 2005, there were around 540k businesses that received workers in this manner, if we assume that this figure hasn't changed by a great amount then the savings from repealing Regulation 32 would amount to around £12.9m per year in 2005 prices (£13.9m per year in 2008 prices).

In addition the benefit would be that it would not leave workers vulnerable to non-payment, and the employer would be able to transfer the worker from being on a temporary contract to a permanent contract. Without better data, it is difficult to estimate these benefits.

Option 4.3c - Issue better guidance for workers

Costs

The PwC admin burdens exercise does not have a specific IO for this regulation and we were unable to find a relevant proxy. However, this option would result in an increase of admin burdens for agencies as they would have to issue better guidance for work seekers. If we assume that of the 1.35m agency workers, around 40% (540k) are employed through an umbrella company and it takes 30 minutes to 1 hour for the agency staff to explain the opt-out, then the cost to the agency would be around £6.50 to £13 per worker. The aggregate cost would be around £3.5m to £7m per year (2008 prices).

Benefits

In the absence of better data it is difficult to estimate the benefit of this option. However, the benefit would be that the worker would be better informed about what the opt-out involves. Therefore it would not leave the worker vulnerable to non-payment.

Option 4.3d - Make it an offence to make the provision of work-finding services only available to those who are incorporated or are prepared to work through a composite company

Costs

There would be no costs involved in making it an offence to make the provision of work-finding services only available to those who are incorporated or are prepared to work through a composite company.

Benefits

In the absence of better data it is difficult to estimate the benefit of this option. However, the benefit would be that it would not leave workers vulnerable to non-payment, as they would not be forced to opt-out of certain regulations.

Option 4.3e - Make opt-out not apply to certain key Regulations, such as Regulation 6 (restriction on detrimental action relating to work-seekers working elsewhere) and Regulation 10 (restriction on charges to hirers)

Costs

There are no costs involved with this option.

Benefits

The benefits of having these restrictions in place are that it would protect workers from non-payment, as they would not be forced to opt-out of certain regulations. and give the hirer the option to make the worker a permanent employee.

F. Risks

Policy Objective 1: Checking Suitability for Permanent Recruitment

No risks could be identified with respect to Options 1b and 1c as the suitability checks ought to be carried out by the employer, as they are required to do so by law.

Policy Objective 2: Fees payable by entertainers and models

With Option 2b, there is the risk that the agency might not be able to recoup the cost of financing the publication of a portfolio.

There is the risk that in Option 2c, workers seeking employment in the entertainment sector would be charged an upfront fee, and no publication of a portfolio would materialise.

Under Option 2d some agencies might not inform their workers of the 7 day cooling off period, in order to cut corners and gain an unfair advantage over their competitors. There is also the risk that some agencies would not inform their worker that they have not distributed their portfolio, in the hope that the worker would have forgotten about joining the agency. Therefore there would be a cost to the individual (model/entertainer) on chasing up the issue with the agency.

Policy Objective 3: Position of Postgraduate Medical Deaneries

There are no risks involved under Option 3b.

Policy Objective 4: Miscellaneous Regulation Changes

REGULATION 14, 16, 17

Under Option 4.1b there is the risk that the work-seeker would be unaware of the terms that it has with the agency.

REGULATION 27

Under Option 4.3b there is the risk that the work-seeker would not be aware if the hirer is an employment agency or employment business.

REGULATION 32

The risk of the options proposed for Regulation 32 is that the umbrella company that an employment business uses could see a fall in demand and some could potentially shut down. As the majority of umbrella companies use umbrella companies for reducing payroll costs this risk is small.

G. Enforcement

The Employment Agency Inspectorate (EAI) would enforce the policy changes for the options proposed in Policy Objectives 1, 2 and 4. If Postgraduate Medical Deaneries are exempt from the Employment Agency Act, then enforcement would fall upon DH.

H. Summary and Recommendations

Policy Objective 1: Checking Suitability for Permanent Recruitment

The table below outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits of Policy Objective 1

Option	Cost	Benefit
1b	None	£681k/year for agencies
1c	None	£854k/year for agencies

Source: BERR, ASHE, REC, PwC

Policy Objective 2: Fees payable by entertainers and models

The table below outlines the costs and benefits of the proposed changes.

Table H.2 Costs and Benefits of Policy Objective 2

Option	Cost	Benefit
2b	£2m/year for agencies and hirers	£2m/year for work-seekers
2c	£800k/year for agencies and hirers	£800k/year for work-seekers
2d	£133k/year for agencies Cost to agency of chasing up payment (not quantified) Cost to agency of providing a refund (not quantified) Cost to individual of chasing refund (not quantified)	£375k - £450k/year for work-seeker

Source: BERR, ASHE, PwC

Policy Objective 3: Position of Postgraduate Medical Deaneries

The preferred option is to exempt postgraduate medical deaneries from the Employment Agency Act.

Table H.3 Costs and Benefits of Policy Objective 3

Option	Cost	Benefit
3b	None	Corrects the anomaly that placed Deaneries under the Employment Agencies Act (not quantified) There are no risks for Deaneries of having to comply with employment agency regulations. (not quantified)

Policy Objective 4: Miscellaneous Regulation Changes

The table below outlines the costs and benefits of the proposed changes.

Option	Cost	Benefit
4.1b	None	£75k/year for agencies
4.2b	Negligible	£100k/year for employment business
4.3b	None	£13.9m/year for hirer Benefits to worker as they would not be vulnerable to non-payment (not quantified) Benefits to employer and individual as it could give the temporary worker a permanent contract (not quantified)
4.3c	£3.5m – £7m/year for agencies	Benefits to worker as they would not be vulnerable to non-payment (not quantified)
4.3d	None	Benefits to worker as they would not be vulnerable to non-payment (not quantified)
4.3e	None	Benefits to worker as they would not be vulnerable to non-payment (not quantified) Benefits to employer and individual as it could give the temporary worker a permanent contract (not quantified)

Source: BERR, ASHE, REC, PwC

I. Implementation

The Government plans to implement these changes on 1 October 2009. The exemption on Deaneries may occur before this date.

J. Monitoring and Evaluation

The effectiveness of the new regime would be monitored by EAI, who monitor and review the Regulations and complaints received on these issues on an ongoing basis.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	No
Rural Proofing	No	No

A1. Specific Impact Assessments

Competition Assessment

Policy Objective 1: Checking Suitability for Permanent Recruitment

No option would directly limit the range of suppliers as new firms can enter the market to supply individuals. Firms will enter the market if it is economically viable for them to do so. No option would indirectly limit the number of suppliers. This is because the proposals are not likely to significantly raise the costs of new entrants relative to existing ones. No option would limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously. Thus we do not consider that the Regulation changes would cause a significant detriment to competition.

Policy Objective 2: Fees payable by entertainers and models

No option would directly limit the range of suppliers as new firms can enter the market to supply individuals. Firms will enter the market if it is economically viable for them to do so.

No option would indirectly limit the number of suppliers. This is because the proposals are not likely to significantly raise the costs of new entrants relative to existing ones. In addition, costs are not expected to rise significantly for some existing firms relative to others, as all firms would have to comply with the options being proposed.

Under option 2b and 2c there is a possibility that it could limit the ability of suppliers to compete. This is because it is likely that the removal of the upfront fee or giving written notice will be more burdensome to some existing firms than others, as some agencies would not be able to recoup this cost by other means.

No option would reduce the suppliers' incentive to compete vigorously as there will be no exemption from competition law.

Policy Objective 3: Position of Postgraduate Medical Deaneries

No Impact.

Policy Objective 4: Miscellaneous Regulation Changes

No option would directly limit the range of suppliers as new firms can enter the market to supply the individuals. Firms will enter the market if it is economically viable for them to do so. No option would indirectly limit the number of suppliers. This is because the proposals are not likely to significantly raise the costs of new entrants relative to existing ones. No option would limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously. Thus we do not consider that the Regulation changes would cause a significant detriment to competition.

Small Firms Impact Test

Policy Objective 1: Checking Suitability for Permanent Recruitment

SORA showed that there are around 16,000 agencies across the UK and less than 1% of these employ more than 200 people. Therefore given that the majority of agencies are SMEs, the proposals are likely to have a greater impact on smaller firms. However, the impact would not be judged to be disproportionate as all agencies would have to comply with the measures stated above.

Policy Objective 2: Fees payable by entertainers and models

The measures discussed above are likely to have a greater impact on smaller firms as these dominate the agency sector. However, the impact would not be judged to be disproportionate as all agencies would have to comply with the proposals in the options put forward.

Policy Objective 3: Position of Postgraduate Medical Deaneries

No Impact.

Policy Objective 4: Miscellaneous Regulation Changes

The measures discussed above are likely to have a greater impact on smaller firms as these dominate the agency sector. However, the impact would not be judged to be disproportionate as all agencies would have to comply with the proposals in the options put forward.

Equality Impact Test

Policy Objective 1: Checking Suitability for Permanent Recruitment

The proposed changes to the Regulation should apply equally to all groups. Without a better set of data it is not possible to accurately breakdown the number of workers that were put into permanent employment via an agency by sex, race or disability. However, none of the options would disproportionately affect any group over another as they would still be covered by the sex, race and disability discrimination act.

Policy Objective 2: Fees payable by entertainers and models

The proposed changes to the Regulation should apply equally to all groups. Without a better set of data it is not possible to accurately breakdown the number of workers that are employed through a modelling or entertainment agency. However, none of the options would disproportionately affect any group over another as they would still be covered by the sex, race and disability discrimination act.

Policy Objective 3: Position of Postgraduate Medical Deaneries

No Impact.

Policy Objective 4: Miscellaneous Regulation Changes

The proposed changes to the Regulation should apply equally to all groups. None of the options would disproportionately affect any group over another as they would still be covered by the sex, race and disability discrimination act. The table below shows a breakdown of all temporary agency workers in the UK by sex and race.

Table A1. Temporary Agency Workers in the UK

	(%)
Women	58
Ethnic Group	31
Of which:	
Asian	4
Black Caribbean	3
Black African	5
Other, including Eastern European	19

Source: REC

