

October
Latest News

Impact of the Agency Workers Regulations

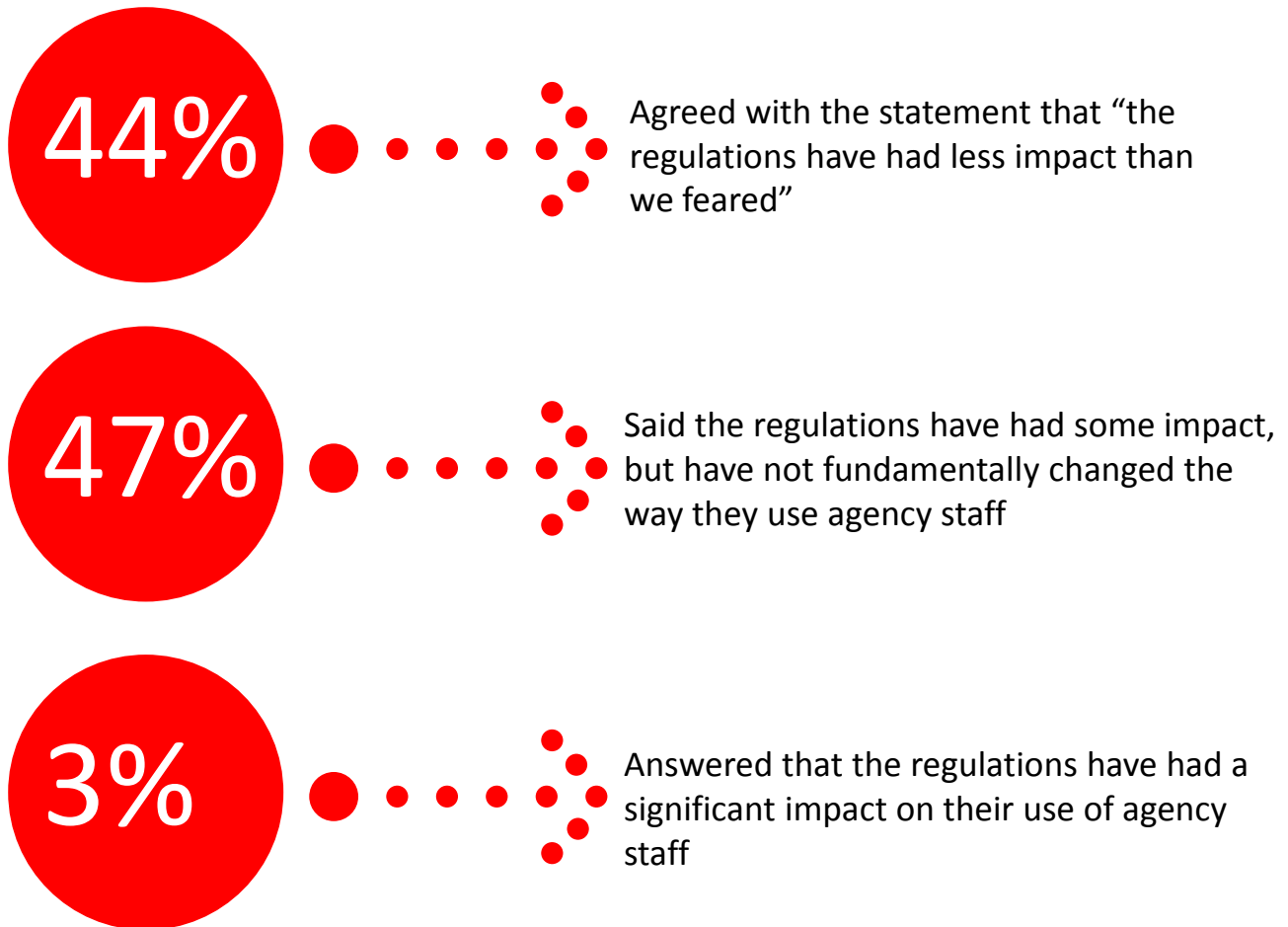


Agency Workers Regulations



Recent research from the Recruitment & Employment Confederation (REC) confirms that, despite fears at the time, the introduction of Agency Worker Regulations (AWR) in October 2011 has not fundamentally altered the demand for temporary labour.

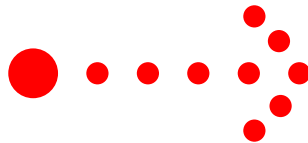
The research included a survey, which quizzed employers about their assessment of the impact the AWR has had one year on. The results revealed that:



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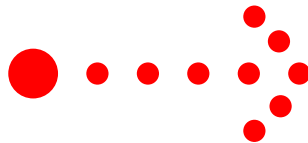


2%



Said that the regulations have meant they have stopped using agency staff all together

4%



Were unsure

Agency Worker Regulations - Intention

The AWR is intended to give qualifying agency workers the same basic pay, holidays and working time they would have received had they been employed directly by the hirer to do the same job. This means that qualifying agency workers, which generally speaking will be those that have worked 12 weeks for the same hirer, are entitled to the same rate of pay, the same annual leave entitlements and the same access to collective facilities as an employee doing the same job, but they are not entitled to all of the benefits that the comparable employee gets.

The AWR covers agency workers supplied by a temporary work agency to a hirer. This includes most agency workers that people refer to as 'temps'. It does not cover temporary workers employed directly by the hirer. The regulations do not cover the genuinely self-employed, individuals working through their own limited company, or individuals working on managed service contracts.

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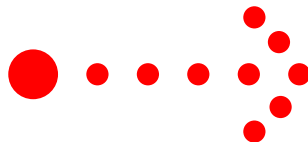
Steady growth for temporary workers

Figures from Key Note Research indicate that the UK temporary and contract staff recruitment industry resumed growth after seeing its market value contract year on year from 2008 to 2010. Compared with the previous 12 months, the number of placements in the temporary and contract staffing sector grew by 19.3% in the year ending March 2011. In the same year, the size of the market for temporary and contract staff increased by 24.2%, to a value of £22.1bn.

The three largest sectors in temporary and contract recruitment are currently industrial and blue collar; secretarial and clerical; and computing and IT. Together they represent around half of the temporary and contract recruitment market in terms of the number of placements in 2010/2011. Key Note forecasts that the market for temporary and contract recruitment will increase by 6.2% in 2012, before rising by 6.7% in the following year to reach £25bn.

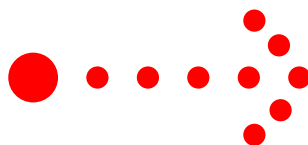
The REC JobsOutlook reports the responses of 600 employers questioned about their hiring intentions over the next quarter and the 4-12 months from across the public, private and non-profit sector, and from across a beyond that. Respondents are drawn range of industries and sizes of organisation.

55%



Said they planned to increase the number of permanent employees over the next three months (the same as last month)

49%

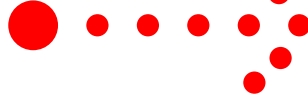


Expect to increase permanent hires over the next 4-12 months (also the same as last month)

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40%



Say they will keep their permanent workforce numbers the same for the next quarter, with 48% saying they will make no changes for the rest of the year

27%



Plan to increase agency worker numbers in the next quarter (up one point on last month) with 11% saying they intend to decrease their use of agency workers (compared to 13% last month)

21%



Say they will increase agency workers over the next 4-12 month period (compared to 22% last month) with 11% saying they will decrease their use of agency workers (down from 12% last month)

62%



Say they will maintain the same number of agency workers over the next quarter, with 68% saying they will make no changes over the rest of the year



resource
manage