



Homecare Association

Homecare Association response: Make Work Pay: Modernising the Agency Work Regulatory Framework'

About you

1. A business representative organisation – Homecare Association
2. N/A
3. Not applicable
4. UK-wide
5. Human health and social work activities
6. N/A
7. N/A

Chapter 1: Security

1a) Do you agree that the key objectives listed should underpin the regulations: ensuring fair remuneration; ensuring a wide-ranging coverage of protection; providing assurance for business?

Yes

1b) Please explain your answer.

By way of background, we are the Homecare Association, the UK's leading membership body for homecare providers and the largest national care association. We represent and support organisations that collectively deliver services to hundreds of thousands of people in their own homes, employing at least half of the adult social care workforce. Data from Skills for Care¹ shows that the domiciliary care workforce has grown to around 740,000 posts, with projections indicating a shortfall of 470,000 additional posts in adult social care as a whole by 2040 to meet growing demand. Homecare is a critical part of the health and social care system, enabling people to live independently, preventing avoidable hospital admissions, and supporting hospital discharge.

We have gathered insight to inform this consultation response from our Homecare Association Special Interest Group on employment rights, a small group of homecare providers who provide practical feedback on our thinking.

¹ [The 'State of' report](#)

We support the key security objectives listed and the principle that government should modernise current regulations to reflect modern employment models and bring umbrella companies within the scope of regulation.

Our member organisations find agency workers invaluable to help them manage fluctuating demand, particularly for short-notice care packages supporting people at home. For example, end-of-life care packages commissioned by the NHS (often at very short notice), spikes in demand for homecare and periods of staff sickness all necessitate the use of agency workers. Indeed, we have been told that crucial end-of-life care would not be possible without agency backfill, as packages can fluctuate by hundreds of hours month to month.

In homecare, agency work is not simply a matter of convenience. It can be essential to maintaining continuity of care, supporting hospital discharge, enabling people to die at home where that is their wish, and preventing pressure from being displaced into already stretched NHS services.

So, it is essential for our sector that agency worker regulation works effectively for both employers, and agency workers, to ensure that people receive the care they need.

2a) In your view, do the current regulations meet these objectives?

No.

2b) How could the current regulations be adapted to better meet these objectives?

On **fair remuneration**, we agree that agency workers, including those working in social care, deserve better protection, recognition, and pay for their vital work. The regulations should be extended to give protection to agency workers employed and paid by an umbrella company, with the obligation to pay workers for all work completed applying throughout the supply chain and clear disclosure of gross pay, all deductions, and fees, so workers can verify they have received what they are due.

On **coverage of protection**, we note the steps already taken in the Employment Rights Act 2025 to amend the definition of “employment business” in the Employment Agencies Act 1973 to include the activities of umbrella companies, and separate measures in the Finance Act 2026 to introduce joint and several liability for tax non-compliance. Beyond that, we suggest a review of the agency work framework to ensure protections apply to all engagement models currently in use, including umbrella companies. In particular, we support restrictions on umbrella companies’ ability to opt workers out of regulatory protections. Opt-outs should remain a genuine and informed individual choice rather than a default imposed by the intermediary.

On **assurance for business**, although we agree it is important that gaps are closed regarding the use of umbrella companies, and there is better enforcement in this area, we have found little appetite amongst our member organisations for more general reform of agency worker regulations.

Our member organisations have indicated that existing agency working arrangements operate effectively. They have strong relationships with their agencies, pay workers properly and on time, and describe the process as slick and simple. They could not identify improvements the Government could make and expressed concern that interventions to ‘simplify and consolidate’ could make the system more difficult without adding value. This is against the backdrop of social care providers already preparing for and implementing the Employment Rights Act’s many changes.

We therefore recommend a targeted approach: close clear regulatory gaps around umbrella companies, improve transparency and enforcement where there is evidence of worker detriment, but avoid broad changes to ordinary agency working arrangements that are currently supporting safe, flexible and responsive care delivery.

3a) Do you have views on how the government can ensure that the distinction between the activities of employment agencies and employment businesses are clearly defined? For example, changes to regulation 8, or publishing specific guidance.

Yes

3b) If yes, please explain your answer.

A combination of changes to Regulation 8 backed by specific guidance would probably help to define the distinction between the activities mentioned. Worked examples are also a useful tool to aid understanding.

4a) Do you think the government should relax restrictions on how and when employment businesses can charge end hirers?

No

4b) Please explain your answer.

Our member organisations have described current practices of using agency workers under current regulations as slick and simple. They do not appear receptive to further change to regulations, bar those addressing umbrella company regulatory gaps. Indeed, they have expressed concerns that Government interventions could make the system more difficult without adding value. We have not received any specific requests from members for alteration of restrictions on how and when employment businesses can charge end hirers.

5a) Do you agree that the principle that employment businesses cannot withhold, or threaten to withhold, payment for work done should be maintained?

Yes

5b) Please explain your answer.

We agree that employment businesses should always pay agency workers for the work they complete and should not withhold or threaten to withhold payment for work done, as the consultation document states.

6a) Do you agree that regulation 12 should place an obligation on umbrella companies to pay workers for all work done, including in situations where they have not received payment from an employment business?

Yes

6b) Please explain your answer.

We agree that Regulation 12 protection should cover individuals working through umbrella companies. Umbrella companies act as the worker's employer in the temp supply chain, handling PAYE and payroll like employment businesses. Extending the no-withholding rule ensures workers are protected across the full chain, preventing payment delays from agency-hirer disputes. This would help to close gaps, as reflected in the joint liability rules effective from April 2026 for PAYE non-compliance.

7a) Is there additional information beyond requirements or authorisations required by law, and requirements or authorisations required by a relevant professional body or regulator, that should be obtained and provided to hirers under these regulations, rather than agreed to through contractual arrangements?

No

7b) Please explain your answer.

We assume this question applies to agency workers not working with vulnerable people. As mentioned above, our member organisations are content with the working of the regulations as they operate currently, and do not support further reform at this point. They describe current agency working practices, underpinned by the regulations, as slick and simple. They fear further change could hinder what is currently working well.

In regulated care settings, there are already important requirements relating to suitability, safe recruitment, training, right to work, DBS checks where applicable, and safeguarding. We would not support additional mandatory information requirements or changes to current rules unless government can demonstrate a clear safety benefit and ensure that requirements do not slow urgent care packages, including end-of-life and hospital discharge support.

8a) Where an umbrella company is involved, should the umbrella company be obliged to pass on any information they are aware of, relating to the two areas outlined above, to the relevant employment business (or to the end hirer when there is no employment business in the supply chain)?

Yes

8b) Please explain your answer.

It is preferable for umbrella companies to be brought within the operation of Regulation 19.

9a) Do you agree that additional obligations and safeguards should remain in place where the work-seeker will be required to work with vulnerable persons?

Yes

9b) Please explain your answer.

It is important to protect vulnerable persons supported by agency work-seekers. We agree that government should not alter Regulation 19(2), and rules regarding information that has to be provided to the hirer should remain as they are.

10a) Do you have views on how the processes relating to information gathering and sharing should be streamlined in order to facilitate workers taking up positions quickly and to reduce the administrative costs involved?

Yes

10b) If yes, please explain your answer.

In general, our member organisations are not in favour of further change to rules on information gathering and sharing, unless they bring real benefits to them as employers. The current regulatory system works well, enabling homecare organisations to provide essential care in the home rapidly when commissioners, such as the NHS or local authorities, place care packages for services like end-of-life support.

In this context, speed matters. Delays in information gathering and sharing can have direct consequences for people waiting to leave hospital, people approaching the end of life, and families trying to maintain care at home. Any streamlining should therefore preserve necessary safeguards while avoiding duplication and unnecessary paperwork.

There may, however, be scope for the use of digital templates and/or a central verification hub or portal to replace manual processes and paperwork in future. Any digital approach should be interoperable, simple to use, proportionate for smaller providers, and should avoid requiring providers to enter the same information into multiple systems.

11a) In your view, are there any alternatives to these obligations which would give hirers and clients the necessary security and confidence?

Yes

11b) Please explain your answer.

Please see reply to 10b).

12a) In your view, should the government make changes to the length of the qualifying period (12 weeks) after which agency workers are entitled to equal basic working and employment conditions, including equal pay?

No

12b) Please explain your answer.

Our members have not asked for reform of these provisions. Generally, agency workers receive higher pay than non-agency workers.

However, the comparison between agency and directly employed care work is not straightforward. Agency rates may reflect different levels of predictability, continuity, travel expectations, employment benefits and administrative arrangements.

We do not support changes to the 12-week qualifying period without strong evidence of benefit. We are concerned that wider reforms which reduce flexibility could conflict with the operational reality of homecare, where demand can change rapidly because of hospital discharge, end-of-life care, illness, safeguarding concerns and commissioner decisions. Providers need to offer secure and fair work, but they also need sufficient flexibility to respond to unpredictable care demand. If fixed staffing costs are imposed without corresponding changes to commissioning and funding, there is a risk of provider exit, reduced capacity and fewer people being able to receive care at home.

13a) In your view, should the government consider any other changes to the Agency Workers Regulations 2010 to reduce administrative burdens for business?

No

13b) Please explain your answer.

While we are aware that there is an administrative cost to 12-week tracking, our members have not asked for reform of these provisions as the current legislation works well for them.

14a) Do you have any views on how the regulations listed above operate in practice, and whether there are any changes that the government should consider?

Yes

14b) If yes, please explain your answer.

Our members are generally satisfied with operation of the Conduct Regulations and Agency Worker Regulations and have not asked for change. We do, however, support bringing umbrella companies within scope.

15a) Do you have any views, not already captured, on how the regulations discussed in this chapter should be streamlined to reduce administrative burden for businesses?

Yes

15b) If yes, please explain your answer.

In general, our members are not in favour of further changes as the current regulatory system works well for them, enabling them to provide essential care in the home rapidly for commissioners, such as the NHS, who need prompt services like end-of-life support for people at home. There may be scope for the adoption of digital templates or hubs, outside of regulation, to speed up and simplify administration.

Chapter 2: Transparency

16a) Do you agree that the key objectives listed should underpin the regulations: clarity for workers; pay transparency; proportionality?

Yes

16b) Please explain your answer.

We support transparency of information being provided to end-users in supply chains, for clarity and to reduce the possibility of disputes.

We are unaware of any issues with the current system as the feedback we have received from our members is that it works well for them as employers. Given the importance of being able to source suitable agency workers quickly to staff urgent care packages, our members would not support government reforms that could make the system more difficult to operate without adding value.

We accept that there may be transparency issues around pay, deductions and documentation for agency workers when umbrella companies act as intermediaries, which may need to be addressed separately.

Transparency requirements should be written in plain English and should help workers understand who employs them, who pays them, who is responsible for deductions, what employment status they have, and how they can raise concerns.

17a) In your view, do the current regulations meet these objectives?

No

17b) How could the current regulations be adapted to better meet these objectives?

Current regulations do not completely meet these objectives. For ordinary agency arrangements in our sector, members report that the current framework generally works well. However, the current regulations do not fully meet the objectives where umbrella companies are involved, because workers may not have sufficient clarity about deductions, employment status, holiday pay treatment, fees or who is accountable for resolving problems.

The framework should therefore be adapted to require clear, plain-English information before a worker agrees to an umbrella arrangement, with standardised pay illustrations and clear lines of accountability across the supply chain.

18a) Do you agree that those listed above represent the key pieces of information required to ensure transparency for work-seekers regarding how they will be engaged, how they will be paid and what type of work they will be doing?

Yes

18b) Please explain your answer.

The listed items seem sensible. However, we would suggest the term 'limb b worker' is not likely to be understood by either agency workers or employers, without further explanation.

19a) Do you have any views on when or how this information should be provided to work-seekers?

Yes

19b) If yes, please explain your answer.

We are unaware of any issues with the current system apart from when umbrella company intermediaries are involved.

Where an umbrella company is involved, key information should be provided before the worker accepts the arrangement and before the first assignment wherever practicable. Information should be short, standardised, easy to compare, and provided in a format the worker can keep. It should not be buried in lengthy contractual documentation or presented only after the worker has effectively committed to the role.

20a) Do you agree that where an umbrella company is offered to a worker as a means of providing payment, there should be an obligation on the umbrella company to provide a representative breakdown of how much they will charge for their services, and how deductions will be calculated?

Yes

20b) Please explain your answer.

It is important there is transparency on how umbrella companies charge and any deductions that are made. A representative breakdown should show the gross assignment rate, the worker's gross pay, umbrella company margin, employer National Insurance contributions, pension deductions, holiday pay treatment, apprenticeship levy where applicable, tax, employee National Insurance contributions, any insurance or administration charges, expenses arrangements, travel and mileage treatment where relevant, and expected net pay.

This should be expressed in plain English, using realistic examples, so that workers can understand the difference between the rate charged to the hirer, the rate paid to the umbrella company, gross taxable pay and actual take-home pay.

21a) Do you agree that the government should regulate to restrict the use of 'kickbacks' in the umbrella company market?

Yes

21b) Please explain your answer.

It is inappropriate for the payment of 'kickbacks' to be passed on to workers or for deductions to be made from pay. We are also concerned that compliance issues could arise, depending on how these payments/deductions affect National Minimum Wage calculations.

Such arrangements are particularly concerning in low-paid sectors, including social care, where even relatively small deductions can materially affect workers' income and may increase the risk of non-compliance with National Minimum Wage

requirements. They also undermine trust in the supply chain and make it harder for responsible businesses to compete fairly.

22a) Which of the two options would be, in your view, most effective at restricting the use of ‘kickbacks’ in the umbrella company market?

Option 2

22b) Please explain your answer.

We prefer Option 2, or Option 1 as a minimum safeguard.

Option 2 appears to be the cleaner approach because it restricts the charge at source and reduces the risk that the cost is indirectly passed on to workers through opaque deductions, lower pay or unclear “employment costs”. If government does not proceed with Option 2, then Option 1 should be adopted as a minimum safeguard to prevent umbrella companies passing these charges on to workers.

Whichever option is chosen, the regulations should make clear that the worker’s pay must not be reduced directly or indirectly because an umbrella company has paid a fee, rebate, commission or other inducement to an employment business.

23a) Do you have any views on how the regulations listed above operate in practice, and whether there are any changes that the government should consider?

Don’t know

24a) Do you have any views, not already captured, on how the regulations discussed in this chapter should be streamlined to reduce administrative burden for businesses?

Yes

24b) If yes, please explain your answer.

In our sector, agency working is generally working well and there is no pressure for reform, other than to close gaps relating to umbrella companies. We have received no feedback from our member organisations that suggests there are administrative burdens that concern them.

Chapter 3: Choice

25a) Do you agree that the key objectives listed should underpin the regulations?

Yes

25b) Please explain your answer.

We agree with the principle that where payment is proposed through an umbrella company, a worker should be able to choose whether this is how they want to be engaged.

That choice must be genuine. A worker should not be denied access to work, shifts or work-finding services simply because they do not wish to use a particular umbrella company or an umbrella arrangement at all.

26a) In your view, do the current regulations meet these objectives?

Don't know.

26b) How could the current regulations be adapted to better meet these objectives?

Questions 26a) and 26b) are better answered by legal advisers/respondents to the consultation.

27a) Do you agree that the government should regulate to ensure that workers cannot be forced to work through, or be paid via, an umbrella company?

Yes

27b) Please explain your answer.

We agree with the proposition that workers should have greater choice over their working arrangements, and whether they work through an umbrella company.

In practice, this means workers should be given a clear alternative route where one is available, and should not face detriment, loss of shifts, delay or pressure because they ask questions about, or decline, an umbrella arrangement.

28a) Do you agree that the government proposal – regulating to restrict employment businesses from making work-finding services conditional upon workers using an umbrella company – is the most effective way of achieving this?

Yes

28b) Please explain your answer.

We do not know what other ways are being considered, so it is difficult to comment, but regulation is usually used to impose restrictions.

On balance, we agree that restricting employment businesses from making work-finding services conditional on use of an umbrella company is likely to be an effective way of supporting genuine choice. Guidance should make clear what would count as indirect pressure or detriment, as well as explicit contractual compulsion.

29a) Do you have any views on *when* a work-seeker should choose whether they would like to be engaged and paid through an umbrella company?

No

30a) Do you agree that the government should amend the exception for individuals working under a contract of service or apprenticeship to ensure those working through an umbrella company are protected against detriment?

Yes

30b) Please explain your answer.

This seems sensible.

31a) Do you have any views on whether the exception for individuals working under a contract of service or apprenticeship more generally remains appropriate? I.e., where the individual is working directly through an employment business.

Don't know.

32a) Do you agree that the government should regulate to prevent umbrella companies from opting out of the Conduct Regulations on behalf of workers?

Yes

32b) Please explain your answer.

We do not consider it appropriate for umbrella companies to opt out of the Conduct Regulations on behalf of the individuals who work through them.

33a) In your view, which of the two options would be most effective at ensuring that the opt-out is not abused by businesses who seek to engage workers?

Don't know

33b) Please explain your answer.

We do not have a view on this.

34a) Do you think the definition above accurately captures how a personal service company operates?

Don't know.

34b) Is there an alternative definition which better defines a personal service company?

Don't know.

34c) Please explain your answer. For example, do you think there are any other characteristics of a PSC that the definition should cover?

We do not have a view on this.

35a) Do you have any views, not already captured, on how the regulations discussed in this chapter should be streamlined to reduce administrative burden for businesses?

Yes

35b) If yes, please explain your answer.

As explained above, our members are not in favour of changes to the current system of agency working, which works well for them as employers.

We would add that government should be alert to unintended consequences. If agency work becomes significantly more administratively difficult, costly or inflexible, there is a risk that some activity shifts towards less transparent models, including self-employment or introductory agency arrangements. That could weaken protections for workers and reduce assurance for people drawing on care and support.

Chapter 4: Further opportunities for modernisation

36a) For the purposes of drafting the regulations specific to umbrella companies, the government intends to use the payment limb of the definition of “employment business” in the Employment Rights Act 2025 (Clause 36, sub-section 3B(b) “paying for, or receiving or forwarding payment for, the services of those persons, in consideration of directly or indirectly receiving a fee from those persons”) as a basis for applying obligations or any other provision specifically to umbrella companies. Do you see any issues with this approach?

Don't know

36b) Please explain your answer.

This question is better answered by legal advisers/respondents to this consultation.

37a) Do you have views on how the regulations listed above should be amended to account for modern working practices and business models, including the use of umbrella companies?

No

37b) If yes, please explain your answer.

N/A

38a) Do you have any views on how the regulations listed above should be streamlined to reduce administrative burden for businesses?

Yes

38b) If yes, please explain your answer.

We have no further specific proposals. However, we recommend that any modernisation of agency work regulation is considered alongside wider workforce policy in adult social care, including Employment Rights Act implementation, sponsorship and immigration policy, National Minimum Wage and National Insurance cost pressures, commissioning practice, and the growth of self-employment and introductory models. Reform should support fair work and worker protection without reducing the flexibility required to deliver urgent, safe and person-centred care at home.

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Submitted via UK Government portal, 28 April 2026