Augscape Research & Development.

SLTE-002 / RESEARCH OUTPUT

# Supply-Line Transaction Evidence in UK Temporary Labour.

A research paper on the evidence now required to make temporary labour transparent, attributable and defensible.

2026

SLTE-002

DOCUMENT CONTROL

# Document control and research position.

| | |
|---|---|
| Document no. | SLTE-002 |
| Prepared date | 22 June 2026 |
| Document type | Independent research paper / reference-to-evidence framework |
| Classification | Open research / strategic foundation |
| Research basis | AMTF-001, CLCRH-001, ULESV-001 and related temporary labour market research |

CENTRAL THESIS

**Modern temporary labour governance is moving from downstream supplier mandates to upstream supply-line transaction evidence.**

## DOCUMENT INDEX


| NO. | ASSESSMENT AREA | SHORT DESCRIPTION | POSITION | PAGE |
|---|---|---|---|---|
| **RO** | Reader orientation | Document orientation, central thesis and reader-use framing. | Orientation | 4 |
| **1** | Section 1 - Executive Summary | Summary of the market scale, evidence problem, research structure and overall finding. | Foundation | 5 |
| **2** | Section 2 - Purpose, Scope and Interpretation Boundaries | Research progression, purpose, scope and interpretation boundaries. | Foundation | 6 |
| **3** | Section 3 - Regulatory Convergence | Convergence of legal, policy, procurement and enforcement evidence demands. | Problem framing | 7 |
| **4** | Section 4 - The Supply-Line Evidence Model | Supply lines as individual transaction-generating routes within supply chains. | Evidence model | 8 |
| **5** | Section 5 - Reference-to-Question Evidence Map | Core reference-to-question map translating official references into evidence requirements. | Evidence map | 9 |
| **6** | Section 6 - Cross-Reference Question Clusters | Repeated question clusters and cross-reference evidence categories. | Question clusters | 26 |
| **7** | Section 7 - Evidence Capture Constraints | Existing governance limits, chain-mapping overreach, gross-record attribution and delayed transaction-formation constraints. | Structural constraints | 30 |
| **8** | Section 8 - Implications for Upper-Chain and Adjacent Parties | Implications for public buyers, contractors, procurement platforms, funders, insurers and market-level operating change. | Application | 33 |
| **9** | Section 9 - Minimum Supply-Line Evidence Model | Conceptual minimum evidence model, evidence choke points, reporting outputs and quality requirements. | Solution scope | 35 |
| **10** | Section 10 - Practical Relevance of Controlled Transaction Data | Controlled transaction data, evidence timing, role-based reliance and shared market truth. | Solution relevance | 38 |
| **11** | Section 11 - Evidence Maturity Model | Maturity path from supplier assertion and retrospective audit to controlled transaction evidence and shared market reliance. | Solution maturity | 40 |
| **12** | Section 12 - Conclusion | Final research conclusion and strategic interpretation. | Conclusion | 42 |
| **A** | Appendix A - Reference Register | Official reference register and reference status summary. | Reference support | 43 |
| **B** | Appendix B - Reference-to-Requirement Extraction Table | Reference positions and requirement implications. | Reference support | 44 |
| **C** | Appendix C - Question-to-Evidence Category Matrix | Question clusters mapped to recurring evidence categories. | Reference support | 45 |
| **D** | Appendix D - Reference-to-Evidence Category Matrix | Reference-to-evidence mapping and repeated evidence categories. | Reference support | 46 |
| **E** | Appendix E - Non-Legal Interpretation Note | Interpretation boundaries and professional review note. | Reference support | 47 |

# Reader orientation

The term **upper-chain parties** is used to describe the buyers, contracting authorities, clients, principal contractors, main contractors, framework operators, procurement platforms and other parties that define the requirements temporary labour must satisfy. These parties are central to the research because they increasingly carry the procurement, tax, social value, fair-work, modern slavery, reporting, audit and public-accountability expectations affected by lower-chain labour activity.

The central thesis is that:

> Modern temporary labour governance is moving from downstream supplier mandates to upstream supply-line transaction evidence.

That thesis frames the paper's main working output: the **Reference-to-Question Evidence Map**.

The map translates official legislation, guidance, policy and enforcement direction into practical question sets that upper-chain parties increasingly need temporary labour chains to answer. It identifies the reference position, the requirement owner, the lead evidence question, the practical question set and the supply-line evidence implication created by each reference.

The paper separates reference position from interpretation, uses multi-question sets, and flags where a reference is policy, guidance, consultation material or legislation. It translates the convergence of different reference regimes into the operating requirement that now matters to upper-chain parties: clearer evidence of temporary labour engagements, payroll routes, worker treatment, payment routes, tax treatment, project attribution and accountable parties.

SLTE-002 is a standalone research output within a wider Augscape temporary labour research sequence. It builds from earlier research into market structure, engagement-route risk and ethical outcomes, then sets out the practical data implications for temporary labour governance without relying on any particular platform, supplier or operating model.

Assertive narrative language is used where the research position has been derived from earlier papers in the Augscape temporary labour sequence, the reference-to-question mapping process and confidential industry stakeholder insight. Those inputs provide the basis for the paper's framing of market direction, evidence gaps and practical implications.

SECTION 1

# Executive Summary

Temporary labour is a major operating environment in the UK economy. The Recruitment and Employment Confederation reported that the UK recruitment industry contributed **£40.6 billion** in GVA in 2024, with temporary and contract placements accounting for **76.7%** of sector GVA and around **872,000 temporary or contract workers** on assignment on any given day in 2024.[1] A market of that scale would normally be expected to operate from reliable transaction-level evidence.

The central problem explored in this paper is that temporary labour often operates through fragmented evidence. The market may contain many records while still lacking a reliable account of the underlying transactions driving results and outcomes. Supplier records, agency records, payroll records, payslips, timesheets, invoices, declarations and audit responses may all exist, but still fail to show clearly how one labour requirement became one worker-linked engagement, one payment route, one tax treatment, one project attribution and one accountable outcome.

The references assessed in this paper point toward one realistic requirement: clearer evidence of how temporary labour is requested, supplied, engaged, treated, paid, taxed, attributed, reported and assured.

The paper frames that requirement through the concept of the supply line. A supply chain is the wider commercial structure. A supply line is the specific route through which a labour requirement becomes an actual transaction. It is the route where the worker is supplied, the engagement is formed, the payer is identified, the tax or payment treatment is applied, the worker-facing outcome is created and the evidence record is generated.

The Reference-to-Question Evidence Map translates official references into practical evidence questions. It does not treat each reference as a complete data specification. Instead, it identifies the questions temporary labour chains increasingly need to answer if upper-chain parties are to understand and evidence the outcomes created beneath them.

Across those references, the same evidence themes recur. The relevant questions repeatedly return to worker attribution, supplier route, engagement party, payer, payroll route, tax treatment, hours, pay, deductions, worker-facing information, project attribution, accountability and evidence state. The convergence is important: different legal, policy and procurement references are increasingly dependent on the same underlying supply-line facts.

Existing governance methods do not reliably create that evidence position. Supplier approval, contractual flow-down, declarations, audit rights and retrospective evidence requests remain useful, but they usually operate at supplier or contract level. They do not, by themselves, provide continuous visibility of active supply lines, worker-linked transaction evidence, project-attributed records or timely control over the route through which exposure is created.

For upper-chain and adjacent parties, the evidence gap affects the quality of reliance. Public buyers, contractors, procurement platforms, funders and insurers may depend on temporary labour outcomes without being able to connect those outcomes to the actual route, payer, worker-facing record, tax treatment, project, exception state or accountable party. That weakens procurement assurance, tax assurance, social value reporting, modern slavery controls, fair-work evidence, funding confidence, insurance defensibility and public accountability.

On that basis, the paper identifies the minimum evidence position a credible temporary labour supply line would need to support: worker-linked, route-specific, project-attributed, payment-aware, tax-aware, time-stamped, reconcilable, exception-capable and capable of controlled upstream reporting.

That evidence position shifts the focus away from supplier declarations and retrospective audit packs, and toward supply-line transaction evidence created closer to the point where exposure arises. The requirement is no longer only to approve suppliers or audit records after the event, but to understand, control and evidence the supply lines through which temporary labour activity becomes economically, legally and ethically real.

The overall finding is that temporary labour governance now depends on evidence created at the level where the outcome is created. The upper chain owns the requirement. The lower chain creates the transaction. The supply line is the evidence route between the two.

SECTION 2

# Purpose, Scope and Interpretation Boundaries

## 2.1 Purpose of this paper

This document is the final paper in a connected Augscape temporary labour research sequence. The earlier papers examined temporary labour through market structure, engagement-route exposure and worker-facing ethical outcomes. This paper brings those findings together and asks what transactional evidence is now required for labour chains to operate sustainably under increasing regulatory, procurement and policy pressure.

**AMTF-001** assessed multi-party markets through the lens of transaction architecture and operating truth. It identified fragmentation, retrospective assessment and distributed accountability as structural weaknesses in markets that lack timely visibility and control over the activity creating economic outcomes. Temporary labour was identified as a significant market affected by those weaknesses, with fragmented records contributing to suboptimal financial and ethical outcomes.

**CLCRH-001** mapped temporary labour engagement routes and identified route exposure as a consequence of that structural weakness. Where labour chains cannot clearly see, control or evidence the engagement route being used, different employment-status treatments, payment models and contractual arrangements can create materially different risk outcomes. The paper framed route adherence as vital to sustainable labour-chain performance.

**ULESV-001** assessed umbrella payroll through ethics, social value and ESG lenses. It identified the worker-facing consequences of opaque or fragmented engagement routes, including pressure on fair work, fair pay, worker dignity, worker understanding, pay transparency, grievance access, ethical procurement, social value and public defensibility. It framed the reduction, displacement or control of umbrella-like opaque routes as necessary for more sustainable outcomes.

Taken together, those papers identify temporary labour as a significant and sizeable market that remains structurally flawed. Its core activity is frequently fragmented across separate engagement routes, payment routes, contractual relationships, worker-treatment decisions and evidence records. That fragmentation creates systemic problems for all parties involved: weak visibility, distributed accountability, inconsistent outcomes, delayed evidence, financial leakage, ethical risk and limited upstream assurance.

This paper completes that research progression. It considers why temporary labour can no longer sustain those conditions in light of the regulatory, procurement and policy patterns identified through this paper's reference-to-question mapping process. It then pinpoints the evidence needed for labour chains to support route adherence, worker treatment, payment integrity, tax treatment, project attribution and ethical outcomes against those emerging expectations.

Its purpose is to answer one practical question:

> What evidence does a temporary labour chain need in order to demonstrate that temporary labour activity was transparent, properly attributed, fairly treated, properly paid, properly taxed, commercially viable and capable of upstream assurance?

## 2.2 Scope

This document focuses on UK temporary labour supply chains and the evidence needed to understand how temporary labour is requested, supplied, engaged, paid, attributed, reported and assured.

The scope is intentionally framed around the relationship between upper-chain requirements, where the parties are often exposed to procurement, tax, reporting, social value, modern slavery, fair-work, audit and public-accountability expectations, and lower-chain labour activity, where the parties create or hold the transaction data needed to evidence whether those expectations were satisfied.

Construction and infrastructure are used as primary reference environments because they make the evidence problem especially visible. They commonly involve project-based work, multi-party fulfilment, subcontracting, agency and intermediary labour, payroll-route variation, site-level records and client or framework reporting expectations.

SECTION 3

# Regulatory Convergence

## 3.1 What regulatory convergence means

This paper uses the term **regulatory convergence** to describe the pattern identified through the reference-to-question mapping process. The references assessed do not create one single legal rule, nor do they apply to the same parties in the same way. They do, however, repeatedly require parties to understand, evidence or account for how temporary labour is engaged, treated, paid, taxed, attributed, reported or assured.

The convergence identified in this paper is therefore practical rather than formal. It arises from the combined direction of legislation, guidance, procurement policy, enforcement practice and market expectation. Those references differ in legal status and audience, but they increasingly depend on the same underlying evidence position: better visibility and control over the activity through which temporary labour becomes a worker-linked engagement, payment route, tax treatment, project attribution and accountable outcome.

The references considered include employment treatment, status treatment, tax compliance, transparent supply-chain pricing, HMRC labour supply-chain assurance, PAYE accountability for labour supply chains involving umbrella companies, worker-facing pay and deduction transparency, CIS fraud and known-or-should-have-known exposure, agency-worker and guaranteed-hours reform, Fair Work Agency inspection and enforcement powers, social value and fair-work monitoring, contract performance reporting, modern slavery and supply-chain risk management, responsible procurement, ESG and public defensibility.

The **Reference-to-Question Evidence Map** is the assistive research output of this document. It asks what the current and emerging landscape requires parties to know, understand and evidence, then translates those requirements into practical questions and evidence implications for temporary labour chains.

## 3.2 Upper-chain relevance

Upper-chain parties include buyers, contracting authorities, clients, procurement platforms, framework operators, consultants, principal contractors and main contractors. They create the requirement, control the route to market, define the acceptable labour outcome and carry the responsibility for overall compliance, reporting, assurance and public defensibility.

The upper chain cannot treat temporary labour as a supplier-level issue only. If it sets the requirement, relies on the outcome or reports the result, it needs evidence that the labour beneath it was engaged, treated, paid, taxed, attributed and evidenced correctly.

## 3.3 Lower-chain relevance

The lower chain is where the requirement becomes an economic event.

The critical moments are the formation of the worker-linked engagement and the processing of the associated payment. Those moments turn upper-chain obligations into real transactions with measurable consequences.

At that point, the outcome is fixed in fact: the worker was engaged, worked, paid, taxed, deducted from, invoiced, reported or corrected. Governance depends on connecting that lower-chain transaction to the upper-chain requirement in a reliable, attributable and reportable way.

## 3.4 Direction of travel change

Where obligations now attach to labour activity itself, it is no longer sufficient for the upper chain to rely on supplier approval, contractual flow-down, mandated performance, periodic audit or retrospective evidence gathering. Those methods may set expectations, but they do not prove what happened in the worker-linked transaction.

The market is moving toward lower-chain activity control, line-item transaction capture and upstream data reporting. Modern temporary labour governance now depends on evidence that shows whether the lower-chain engagement and payment outcome satisfied the upper-chain requirement.

The direction of travel is away from reliance on downstream enforcement alone and toward upstream evidence capable of showing what happened in the worker-linked transaction.

SECTION 4

# The Supply-Line Evidence Model

## 4.1 Supply chains and visibility

Supply chains are tiered trees of commercial, contractual and operational relationships through which goods or services are procured, delivered, attributed, paid for and reported. Each tier adds another layer between the party setting the requirement and the party creating the outcome. The more layers a supply chain contains, the harder it becomes for upper-chain parties to see, control and evidence what is happening within it.

This visibility problem now matters across global supply chains. Businesses, public bodies, investors and regulators increasingly expect organisations to understand and manage the outcomes created by the chains they use, rather than relying only on immediate suppliers, contractual assurances or high-level declarations.

Some supply-chain requirements can still be managed through aggregated targets, downstream mandates and periodic assurance. In areas such as energy use, recycling, packaging, waste reduction or material sourcing, a buyer may set a target, require supplier declarations, audit a sample, or measure an overall outcome across the supply chain. For some requirements, that may be sufficient.

Other supply-chain outcomes are different. In certain manufacturing, regulated product, safety-critical and people-related sectors, the outcome is significant enough, serious enough or sufficiently connected to legal, ethical, tax, worker-facing or public-accountability consequences that aggregated assurance is not enough. Those outcomes require source-to-market evidence: the ability to understand the individual line item, trace the route through which it was created, identify the parties involved and evidence the outcome produced.

Regulatory convergence now places temporary labour within that second category. Employment treatment, tax accountability, worker-facing transparency, fair-work expectations, social value reporting and public defensibility depend on what happened in the individual worker-linked engagement and payment transaction. The evidential requirement is therefore source-to-market visibility at supply-line level.

## 4.2 Supply lines as the evidence unit

To meet source-to-market evidence requirements, supply chains need to be understood as collections of individual supply lines. A supply line is the route through which one requirement becomes one transaction, one outcome and one evidence record. It is the branch of the wider supply-chain tree where economic activity is actually generated.

Each supply line creates its own facts. For temporary labour it may involve a different supplier, agency, payroll company, payer, worker, project, engagement route, tax treatment, deduction pattern, worker-facing information, invoice and evidence state. Two supply lines may sit inside the same supply chain and support the same buyer requirement, but produce materially different legal, tax, ethical, commercial and assurance outcomes.

Each time a party performs a transaction that results in the engagement, work, payment, deduction, taxation, invoicing or reporting of a temporary worker, a supply line is opened. The economic activity becomes real, the upstream parties become connected to the outcome, and the evidence remains relevant for as long as the regulatory, contractual, tax, audit or reporting consideration remains live.

For context; a single buyer using two contractors, each contractor using two agencies, and each agency using two payroll companies creates between eight and fifteen worker-payment routes before individual workers, projects, pay periods, route changes or replacement suppliers are considered. In practice, a single supply chain can quickly contain many supply lines, each capable of creating its own transaction data, exposure and outcome.

Parties whose works result in the engagement and payment of temporary workers therefore need to understand their supply chains as supply lines. They need to map each line, monitor the creation of new lines, and capture the activity generated within those lines as ongoing evidence. Supply-line transaction evidence is the operating unit through which modern temporary labour governance becomes possible.

# Research Outputs

Reference-to-Question Evidence Map

Cross-Reference Question Clusters

SLTE-002

SECTION 5

# The Reference-to-Question Evidence Map

## 5.1 Purpose of the map

Sections 2, 3 and 4 establish the operating position: temporary labour governance now depends on connecting upper-chain requirements to lower-chain activity through individual supply lines.

Once relevant parties have mapped those supply lines, they can begin to assess each transaction point, or **source**, against the wider regulatory, policy, procurement and enforcement landscape. The practical question is whether each supply line gives the relevant party access to the evidence data needed to satisfy each applicable reference.

The **Reference-to-Question Evidence Map** translates those references into practical evidence questions for temporary labour chains. It does not treat any reference as a complete data specification. Instead, it identifies what the supply line must be able to evidence if the relevant party is to answer the requirement, risk or accountability point created by that reference.

## 5.2 Reference integrity rules

The map is formed through practical interpretation. Most references do not prescribe a complete temporary-labour data model. They create obligations, expectations, risks or accountability points that need to be translated into evidence questions capable of being answered at supply-line level.

Each map entry follows a consistent structure. The reference position summarises what the reference says or does. The primary requirement owners identify the parties most likely to need the evidence. The lead question states the main evidence question created by the reference. The practical question set breaks that lead question into operational questions. The evidence implication identifies the assurance value created by the answers. The upper-chain use explains how the evidence may be used in procurement, reporting, audit, assurance or contract management. The interpretive boundary separates reference content from practical interpretation.

The map applies the following rules:

**Reference position is separated from interpretation.**
The reference position summarises what the reference says or does. The interpretation explains the evidence question this creates for temporary labour governance.

**Guidance, legislation, policy and consultation material are distinguished.**
Each reference is labelled by status where relevant.

**Question sets are practical assurance tools.**
They identify what a buyer, contractor, agency, platform or assurance team may need to know in order to manage or evidence the issue. Legal determinations remain separate.

**Evidence implication indicates assurance value, with liability handled separately.**
A field being useful for assurance may sit beyond a reader's direct legal duty in a specific case.

**The map is cumulative.**
Its value comes from showing that many references repeatedly require visibility over similar supply-line facts.

SECTION 5

# The Reference-to-Question Evidence Map

## 5.3 Reference-to-Question Map

The map uses the following references as its basis:

| Entry | Reference | Reference type | Main evidence theme |
|---|---|---|---|
| 5.3.1 | DAO 04/26 - Tax Arrangements | Government finance / tax direction | Transparent, commercially viable and tax-aware temporary labour supply lines. |
| 5.3.2 | HMRC GfC12 - Labour supply-chain assurance | HMRC guidance | Visibility beyond the immediate supplier and ongoing labour-chain assurance. |
| 5.3.3 | PAYE rules for labour supply chains involving umbrella companies from 6 April 2026 | HMRC guidance | Umbrella involvement, PAYE responsibility and accountable-party evidence. |
| 5.3.4 | PAYE changes for the umbrella company market / Chapter 11 policy | HMRC / HM Treasury policy | PAYE liability allocation where umbrella companies form part of the labour supply chain. |
| 5.3.5 | Working through an umbrella company / agency worker Key Information Document guidance | GOV.UK worker-facing guidance | Worker-facing information, assignment rate, deductions, payslip and pay-route transparency. |
| 5.3.6 | Construction Industry Scheme fraud measures from 6 April 2026 | HMRC policy | CIS payment route, work substance, fraud exposure and knowledge-sensitive evidence. |
| 5.3.7 | Zero-hours and similar contracts / agency-worker guaranteed-hours reforms | Legislation / government reform material | Hours, hirer attribution, reference periods and flexible-work evidence. |
| 5.3.8 | Modernising the Agency Work Regulatory Framework | Government consultation | Complex agency and umbrella supply chains within modern agency-work regulation. |
| 5.3.9 | Fair Work Agency enforcement statement | Government enforcement direction | Inspection readiness, enforcement visibility and labour-market compliance evidence. |
| 5.3.10 | Employment agency record-keeping / FWA inspection guidance | Agency-work record and inspection guidance | Agency records, assignment evidence and inspection-ready record keeping. |
| 5.3.11 | PPN 002 - Social Value Model | Public procurement policy | Social value commitments, workforce outcomes and contract-attributed evidence. |
| 5.3.12 | Procurement Act 2023 - Key Performance Indicators guidance | Procurement guidance | Contract performance indicators and measurable temporary labour outcomes. |
| 5.3.13 | Procurement Act 2023 - Contract Performance Notices | Procurement guidance / reporting mechanism | Performance reporting, contract-management evidence and public accountability. |
| 5.3.14 | PPN 009 - Tackling modern slavery in government supply chains | Public procurement policy | Modern slavery risk, labour-route visibility and supply-chain risk controls. |
| 5.3.15 | Umbrella payslip and pay-transparency guidance | Worker-facing / payroll transparency guidance | Payslip, deduction, gross-to-net and worker-understanding evidence. |

### 5.3.1 DAO 04/26 – Tax Arrangements

DAO 04/26 is a government finance and tax direction for central government bodies. It is relevant to temporary labour because it connects major-project procurement with tax assurance, commercial viability, transparent supply chains and assurance across direct and indirect suppliers.

| Field | Position |
| --- | --- |
| **Reference status** | Government finance / tax direction for central government bodies, published 10 June 2026. |
| **Reference position** | Central government bodies must address tax implications early in major projects. For temporary labour, the reference states that procurement must be through transparent, commercially viable supply chains, that pricing should reflect employment, tax, supplier costs and margins, and that tax compliance should be assured across direct and indirect suppliers.[2] |
| **Primary requirement owners** | Central government bodies, sponsor departments, commercial teams, buyers, framework owners, main contractors and tax/compliance teams. |
| **Lead question** | Can the upper chain evidence that a temporary labour supply line is transparent, commercially viable and tax-aware? |
| **Practical question set** | Which supplier or agency supplied the worker or labour route?<br>Which direct and indirect suppliers sat below the visible contracting party?<br>Who employed, contracted with or otherwise engaged the worker?<br>Who paid the worker and who operated the relevant payroll, PAYE, CIS or payment route?<br>Does the quoted or charged rate visibly accommodate worker pay, employment tax, employer cost, supplier cost and margin?<br>Is there any indication that commercial viability depends on hidden tax leakage, worker-cost leakage, undisclosed deductions or an opaque intermediary?<br>What assurance steps were taken before procurement, during contract operation and when the supply line changed? |
| **Evidence implication** | Route, supplier, indirect-supplier, employer, payer, tax-treatment, pricing, margin/cost and assurance evidence at supply-line level. |
| **Upper-chain use** | Tender assurance, framework onboarding, tax-risk review, supplier viability review, contract management, audit response and commercial due diligence. |
| **Interpretive boundary** | The reference is directed at central government bodies. The wider interpretation for contractors and platforms is that this creates a credible upper-chain evidence expectation where they support, supply or report into central-government labour procurement. |

### 5.3.2 HMRC GfC12 – Labour supply-chain assurance

HMRC GfC12 is guidance on labour supply-chain assurance. It is relevant to temporary labour because it states that checking only immediate suppliers and customers may not be enough, and that organisations should understand how the chain operates, check before and during contracts, verify information where possible and keep records of the steps taken.

| Field | Position |
| --- | --- |
| **Reference status** | HMRC guidance, updated 16 January 2025. |
| **Reference position** | HMRC states that checking only immediate suppliers and customers will not necessarily be enough to make sound judgements on supply-chain integrity. It also recommends obtaining information to understand how the chain operates, checking before and during the contract, verifying information as far as possible, and keeping records of steps taken.[3] |
| **Primary requirement owners** | Businesses using labour, contractors, agencies, tax/compliance teams and supplier-assurance teams. |
| **Lead question** | Can the organisation evidence the real labour route beyond the first-tier supplier? |
| **Practical question set** | Who sits below the immediate supplier in each labour supply line?<br>Which party actually recruits, engages, employs, administers, pays or invoices for the worker?<br>Was the same route used throughout the contract or did the route change after onboarding?<br>Was due diligence performed only on the visible supplier or on the chain below?<br>Was information provided by suppliers independently verified where possible?<br>Were assurance checks repeated during the contract, as well as at onboarding?<br>What records exist showing the checks made, risk identified and action taken? |
| **Evidence implication** | Supply-chain assurance must resolve into supply-line route evidence, as well as supplier onboarding evidence. |
| **Upper-chain use** | Labour-provider due diligence, ongoing supplier assurance, tax compliance, route monitoring, audit trail and remediation evidence. |
| **Interpretive boundary** | GfC12 is guidance. This document interprets it as supporting the need for information that follows the chain below the immediate supplier, with no conversion into a bespoke temporary-labour data standard. |

### 5.3.3 PAYE rules for labour supply chains involving umbrella companies from 6 April 2026

This HMRC guidance explains PAYE responsibility where an umbrella company employs workers in a labour supply chain. It is relevant because it identifies the agency with the end-client contract, or the end client where no agency exists, as responsible for making sure PAYE is operated correctly.

| Field | Position |
|---|---|
| **Reference status** | HMRC guidance reflecting rules in force from 6 April 2026, last updated 19 June 2026. |
| **Reference position** | Where an umbrella company employs workers in a labour supply chain, the agency with the contract with the end client, or the end client where no agency is involved, is responsible for making sure PAYE is operated correctly. HMRC can recover underpaid PAYE from them.[4] |
| **Primary requirement owners** | Agency with the end-client contract, end client where no agency exists, umbrella company, payroll/tax compliance teams and hirers using umbrella-supplied workers. |
| **Lead question** | Can the chain identify whether umbrella rules apply and who is accountable for PAYE correctness? |
| **Practical question set** | Was an umbrella company used to employ the worker?<br>Was the worker supplied through an agency, and if so which agency held the contract with the end client?<br>Was there no agency, making the end client the relevant accountable party?<br>Was any party in the chain non-UK based, connected with the umbrella company or otherwise relevant to liability allocation?<br>What information did the umbrella company provide to the agency or end client to allow PAYE checking?<br>What evidence shows that PAYE was operated correctly for the worker and payment period?<br>Can any PAYE underpayment risk be attributed to a worker, umbrella, agency, end client and pay period? |
| **Evidence implication** | Umbrella involvement, agency/end-client relationship, payer/employer identity, PAYE operation, worker payment and accountable-party evidence. |
| **Upper-chain use** | Umbrella-chain governance, PAYE assurance, liability allocation, contract controls, payroll-route reporting and HMRC-response readiness. |
| **Interpretive boundary** | The map identifies the evidence questions that follow from the guidance. Liability analysis remains fact-specific. |

### 5.3.4 PAYE changes for the umbrella company market / Chapter 11 policy

This HMRC and HM Treasury policy explains the PAYE accountability changes for labour supply chains involving umbrella companies. It is relevant because it describes recruitment agency or end-client accountability, including joint and several liability, where an umbrella company forms part of the worker payment route.

| Field | Position |
| --- | --- |
| **Reference status** | HMRC / HM Treasury policy paper, 26 November 2025, linked to Finance Bill 2025–26 and Chapter 11 ITEPA 2003. |
| **Reference position** | The policy makes recruitment agencies or end clients accountable for PAYE on payments to workers supplied through umbrella companies. It describes joint and several liability for PAYE where an umbrella company forms part of the labour supply chain.[5] |
| **Primary requirement owners** | Recruitment agencies, end clients, commercial teams, tax teams and risk/legal teams allocating labour-chain responsibility. |
| **Lead question** | Can the chain show how PAYE accountability is allocated where an umbrella sits in the route? |
| **Practical question set** | Which labour supply lines include an umbrella company?<br>Which agency is closest to the end client for liability purposes?<br>Where there is no agency, which end client receives the worker's services?<br>What payment amounts are within the umbrella PAYE responsibility regime?<br>Is the umbrella company distinguishable from a purported umbrella or other intermediary?<br>What contractual controls, indemnities or assurance requirements require the relevant PAYE evidence?<br>Can the risk owner connect a PAYE failure to the relevant worker, payment, route and accountable party? |
| **Evidence implication** | Route-accountability evidence that connects umbrella involvement to the agency or end-client PAYE risk position. |
| **Upper-chain use** | Risk allocation, legal review, contract controls, indemnity support, umbrella route restriction, tax liability review and supplier scoring. |
| **Interpretive boundary** | This reference overlaps with the operational HMRC guidance. It is retained separately because it explains the policy and liability logic, while the guidance explains operational application. |

### 5.3.5 Working through an umbrella company / agency worker Key Information Document guidance

This GOV.UK guidance concerns worker-facing information for agency workers and people working through umbrella companies. It is relevant because it focuses on key information, assignment rate, umbrella involvement, gross pay, net pay and deductions, all of which need to reconcile with the worker's actual pay route and payslip.

| Field | Position |
| --- | --- |
| **Reference status** | GOV.UK worker-facing and agency-worker guidance, updated through 2025–2026. |
| **Reference position** | Guidance states that agency workers should receive key information, including the umbrella company, assignment rate, deductions and minimum gross pay; umbrella workers are advised to understand gross pay, net pay and deductions.[6] |
| **Primary requirement owners** | Recruitment agencies, umbrella companies, worker-facing compliance teams, payroll-support teams and hirers seeking fair-work evidence. |
| **Lead question** | Can worker-facing information be reconciled with the worker's actual pay route and payslip? |
| **Practical question set** | Did the worker receive a Key Information Document before the assignment where required?<br>Did the KID identify the umbrella company or pay route?<br>Was the assignment rate distinguished from the worker's gross pay?<br>Were expected deductions explained before work began?<br>Did the worker receive assignment details for the actual role, site, hirer and conditions?<br>Did the payslip match the KID, assignment information, gross pay, deductions and net pay?<br>Was there a query route where the worker challenged pay, deductions or route information? |
| **Evidence implication** | Worker-facing information becomes part of the evidence state; it must reconcile with actual payroll and deduction outcomes. |
| **Upper-chain use** | Pay transparency, worker understanding, fair-work reporting, social value evidence, worker query handling and agency/umbrella compliance review. |
| **Interpretive boundary** | Worker-facing guidance speaks directly to worker information. Where upper-chain parties rely on fair pay or pay transparency claims, these records become relevant evidence. |

### 5.3.6 Construction Industry Scheme fraud measures from 6 April 2026

This HMRC policy concerns Construction Industry Scheme fraud measures effective from 6 April 2026. It is relevant to temporary labour because CIS payment routes may require evidence of who made or received the payment, the nature of the work, the payment route and what the relevant party knew or should have known.

| Field | Position |
| --- | --- |
| **Reference status** | HMRC policy paper, 26 November 2025; measures effective from 6 April 2026. |
| **Reference position** | HMRC can act where a business makes or receives a CIS payment or credit connected to fraud and the business knew or should have known of that connection, including removal of Gross Payment Status, assessment for related tax loss and penalties.[7] |
| **Primary requirement owners** | Contractors, subcontractors, CIS payers, construction finance teams, tax teams and supplier-assurance teams. |
| **Lead question** | Can the chain evidence the CIS payment route, the nature of the work and what the payer knew or should have known? |
| **Practical question set** | Was CIS used in the supply line?<br>Who made and received the CIS payment or credit?<br>Was Gross Payment Status relied upon?<br>Was the work a genuine construction operation, a works package, or labour-only provision presented through CIS?<br>Which supplier or downstream party controlled the worker or subcontractor route?<br>Were there indicators that the transaction was connected to fraudulent evasion of tax?<br>What checks were made before payment and what evidence shows the payer's knowledge position? |
| **Evidence implication** | CIS assurance needs payment-line, route, work-substance and knowledge-sensitive evidence, as well as subcontractor registration evidence. |
| **Upper-chain use** | CIS risk review, GPS protection, fraud controls, construction labour-route assurance, tax audit and supplier suspension decisions. |
| **Interpretive boundary** | The reference concerns CIS fraud powers. The map identifies evidence needed to distinguish genuine, evidenced CIS use from risk-bearing or opaque routes. |

### 5.3.7 Zero-hours and similar contracts / agency-worker guaranteed-hours reforms

The zero-hours and agency-worker guaranteed-hours reforms concern greater security and predictability in flexible work. They are relevant to temporary labour because agency-worker rights may depend on evidence of hours worked for a hirer during a relevant reference period.

| Field | Position |
|---|---|
| **Reference status** | Legislation and government factsheet / consultation material, 2026. Some detailed implementation may be subject to regulations and consultation outcomes. |
| **Reference position** | The reforms aim to provide greater security and predictability. For agency workers, government materials indicate that guaranteed-hours offers need to reflect hours worked for a hirer during a reference period.[8] |
| **Primary requirement owners** | Hirers, agencies, workforce planning teams, HR/compliance teams and contract managers using flexible labour. |
| **Lead question** | Can the chain evidence the hours worked by the agency worker for each hirer during the relevant reference period? |
| **Practical question set** | Was the worker an agency worker or otherwise within the relevant reform scope?<br>Which hirer received the worker's labour?<br>Which agency supplied the worker to that hirer?<br>What hours were worked for that hirer during the reference period?<br>Who directed or supervised the work?<br>Were hours recorded in a way that can be attributed to a hirer, agency, worker and reference period?<br>Could repeat engagements, breaks, changes of agency or movement between projects affect the evidence position? |
| **Evidence implication** | Hours, hirer, agency, direction/supervision and reference-period evidence become central where flexible-work rights depend on work history. |
| **Upper-chain use** | Workforce-rights monitoring, agency-worker reform readiness, contract planning, labour-demand forecasting and dispute response. |
| **Interpretive boundary** | Some detail remains subject to implementation. The map treats this as direction-of-travel and evidence-preparation logic. Final legal advice depends on the operative legislation and regulations. |

### 5.3.8 Modernising the Agency Work Regulatory Framework

The agency-work regulatory framework consultation recognises that agency and umbrella supply chains have become more complex than the original agency-worker model. It is relevant because it points toward the need to identify the actual role and accountability of each party in complex agency and umbrella supply lines.

| Field | Position |
|---|---|
| **Reference status** | Department for Business and Trade consultation, published 6 February 2026. |
| **Reference position** | Government consultation material recognises that agency and umbrella supply chains have become more complex than the original agency-worker model and that umbrella companies are being brought within the employment-agency regulatory framework.[9] |
| **Primary requirement owners** | Agencies, hirers, umbrella companies, labour-chain operators, policy teams and compliance teams. |
| **Lead question** | Can the chain identify the actual role and accountability of each party in a complex agency or umbrella supply line? |
| **Practical question set** | Which party is the employment business or agency?<br>Which party is the hirer?<br>Is an umbrella company present and what role does it perform?<br>Are there secondary agencies, lead agencies, managed-service arrangements or payroll intermediaries in the route?<br>Which party gives assignment information to the worker?<br>Which party pays, employs, contracts, invoices or administers the worker?<br>Does the route create a protection gap because responsibility is split across entities? |
| **Evidence implication** | Role-allocation and route-mapping evidence are needed where the chain has moved beyond a simple agency-worker model. |
| **Upper-chain use** | Agency route review, supply-chain simplification, umbrella control, worker-protection evidence and reform-readiness planning. |
| **Interpretive boundary** | This reference is consultation material. It is used as evidence of government policy direction and identified market complexity. Operative law depends on final legislation and regulations. |

### 5.3.9 Fair Work Agency enforcement statement

The Fair Work Agency enforcement statement explains the types of activity that may form part of labour-market investigations, including information requests, record inspection, interviews and premises visits. It is relevant because temporary labour chains need worker, pay, hours, deduction and labour-provider records that can be produced and reconciled under inspection pressure.

| Field | Position |
|---|---|
| **Reference status** | Government enforcement statement, published by the Department for Business and Trade / Fair Work Agency on 19 May 2026. |
| **Reference position** | FWA investigations may include requests for information, inspection of records, interviews with workers or business representatives and visits to business premises.[10] |
| **Primary requirement owners** | Employers, agencies, hirers, labour providers, payroll operators and compliance teams. |
| **Lead question** | Can worker, pay, hours, deduction and labour-provider records be produced and reconciled under inspection pressure? |
| **Practical question set** | Which worker, employer, agency, hirer and labour provider records exist for the engagement?<br>Can pay, hours, deductions, holiday and worker-rights records be produced?<br>Are the records readable, attributable and connected to the relevant worker and engagement?<br>Do records held by the agency, payroll provider, umbrella company or hirer reconcile?<br>Can the business explain who controlled, paid, directed or administered the worker?<br>Can worker interviews be supported by contemporaneous records?<br>Are missing, disputed or corrected records visible in an audit trail? |
| **Evidence implication** | Inspectable labour-market records must exist at worker and engagement level and be capable of reconciliation across parties. |
| **Upper-chain use** | Enforcement readiness, record governance, labour-market compliance audit, internal investigation and remediation tracking. |
| **Interpretive boundary** | The enforcement statement is general to labour-market enforcement. The document interprets its practical relevance to temporary labour where records are commonly split across parties. |

### 5.3.10 Employment agency record-keeping / FWA inspection guidance

This employment agency record-keeping guidance concerns the records agencies and employment businesses must keep to show compliance with relevant rules. It is relevant because agency records need to connect the worker, hirer, assignment and pay route in a form that can support inspection, assurance and dispute response.

| Field | Position |
|---|---|
| **Reference status** | GOV.UK guidance on employment agency and employment business record keeping. |
| **Reference position** | Employment agencies and employment businesses are required to keep records sufficient to show compliance with relevant rules, and FWA inspection powers may require records to be produced.[11] |
| **Primary requirement owners** | Employment agencies, employment businesses, umbrella-linked agencies, compliance teams and hirers relying on agency assurance. |
| **Lead question** | Can agency records be produced quickly and connected to the worker, hirer, assignment and pay route? |
| **Practical question set** | What records does the agency hold for each worker and assignment?<br>Do the records identify the hirer, work-seeker, terms, assignment, pay, charges and relevant parties?<br>Are records stored in a form that can be accessed and provided when required?<br>Can agency records be linked to umbrella, payroll, timesheet and payslip records?<br>Do records show compliance at assignment level, as well as supplier level?<br>Can the agency evidence route changes, cancellations, corrections and exceptions?<br>Are records kept consistently across branches, projects, frameworks and agency users? |
| **Evidence implication** | Agency compliance evidence must be available, attributable and linked to the specific assignment and supply line. |
| **Upper-chain use** | Inspection response, agency compliance, contract assurance, dispute handling and worker-information reconciliation. |
| **Interpretive boundary** | The specific record-keeping requirements depend on the applicable agency rules. The map identifies evidence implications for assurance and reporting purposes. |

### 5.3.11 PPN 002 – Social Value Model

PPN 002 and the Social Value Model apply to in-scope central government procurement. They are relevant to temporary labour because labour-linked social value commitments need evidence that connects contract delivery, worker route, pay or treatment outcome and reporting period.

| Field | Position |
|---|---|
| **Reference status** | Cabinet Office procurement policy note and guidance, published 5 March 2025. |
| **Reference position** | The Social Value Model is used for in-scope central government procurement. The guide is to be used by in-scope commercial practitioners when implementing the model across stages of the commercial lifecycle.[12] |
| **Primary requirement owners** | Central government contracting authorities, commercial teams, suppliers, social value leads, framework operators and contract managers. |
| **Lead question** | Can labour-linked social value commitments be evidenced during delivery, as well as described at tender stage? |
| **Practical question set** | Which social value outcome or criterion is relevant to the contract?<br>Does the temporary labour activity support fair work, fair pay, employment opportunity, workforce development or responsible supply-chain commitments?<br>Which workers, projects, roles, suppliers and reporting periods support the claim?<br>What pay, route, worker-understanding or fair-work evidence supports the claim?<br>Can claimed outcomes be distinguished from ordinary labour usage?<br>Can supplier-reported social value be traced to actual supply-line activity?<br>Is the evidence suitable for contract management and as well as tender scoring? |
| **Evidence implication** | Social value evidence needs to connect labour activity to contract, worker route, pay/treatment outcome and reporting period. |
| **Upper-chain use** | Tender evaluation, contract management, social value monitoring, supplier reporting, client assurance and ESG narrative support. |
| **Interpretive boundary** | PPN 002 sets the social value framework. The map interprets where labour-chain data can evidence selected social value outcomes. |

### 5.3.12 Procurement Act 2023 – Key Performance Indicators guidance

The Procurement Act 2023 KPI guidance explains how supplier performance can be assessed during the life of a public contract. It is relevant where labour outcomes form part of contract performance, because those outcomes need contract-attributed, period-aligned evidence capable of being measured from transaction records.

| Field | Position |
| --- | --- |
| **Reference status** | Cabinet Office guidance, updated 20 April 2026. |
| **Reference position** | A KPI is a factor or measure against which a supplier's performance of a contract can be assessed during the life-cycle of the contract.[13] |
| **Primary requirement owners** | Contracting authorities, contract managers, suppliers, procurement platforms and performance-reporting teams. |
| **Lead question** | Where labour outcomes form part of contract performance, can they be measured from transaction evidence? |
| **Practical question set** | Is temporary labour relevant to a contract KPI, performance indicator or supplier scorecard?<br>Which contract, lot, call-off, work package or project does the labour evidence support?<br>What measure is being assessed: route compliance, fair work, pay transparency, workforce participation, hours delivered, exception rate or supplier performance?<br>Is the evidence period aligned to the contract reporting period?<br>Can evidence be attributed to the correct supplier and project?<br>Can exceptions, disputes and corrections be separated from compliant transactions?<br>Can data be aggregated without losing the underlying line-item audit trail? |
| **Evidence implication** | Labour KPI evidence must be contract-attributed, period-aligned and capable of aggregation from line-item records. |
| **Upper-chain use** | KPI design, supplier scorecards, contract performance management, framework reporting and procurement-platform integration. |
| **Interpretive boundary** | The reference defines and governs KPIs in public procurement. Labour data becomes relevant where labour outcomes are selected or embedded in performance management. |

### 5.3.13 Procurement Act 2023 – Contract Performance Notices

The Procurement Act 2023 Contract Performance Notices guidance forms part of the manage-phase transparency framework. It is relevant where labour-related performance information may need to support contract reporting, public transparency, platform reporting or supplier-performance governance.

| Field | Position |
|---|---|
| **Reference status** | Cabinet Office guidance, updated 20 April 2026. |
| **Reference position** | Contract Performance Notices are part of the Procurement Act manage-phase transparency framework and may publish supplier performance information, including performance against KPIs where applicable.[14] |
| **Primary requirement owners** | Contracting authorities, contract managers, procurement platforms and suppliers providing performance data. |
| **Lead question** | Can labour-related performance evidence be converted into reliable contract-performance reporting where required? |
| **Practical question set** | Does the contract have KPIs or performance information relevant to temporary labour?<br>What underlying supply-line records support the performance figure?<br>Is the evidence sufficiently structured for reporting to the buyer, platform or public notice process?<br>Can the authority distinguish reported performance from supplier assertion?<br>Can poor performance, breach, remediation or improvement be evidenced from records?<br>Is the reportable figure linked back to transaction evidence and correction history?<br>Can confidential worker-level records be aggregated appropriately for publication or platform reporting? |
| **Evidence implication** | Reported performance must be supported by structured evidence capable of aggregation, audit and explanation. |
| **Upper-chain use** | Contract Performance Notice support, contract management, public transparency, platform reporting and supplier-performance governance. |
| **Interpretive boundary** | This interpretation concerns evidence reliability before aggregation. Publication requirements depend on the applicable contract and procurement rules. |

### 5.3.14 PPN 009 – Tackling modern slavery in government supply chains

PPN 009 concerns the identification and management of modern slavery risk in government supply chains. It is relevant to temporary labour because labour-route visibility, worker-treatment indicators, deduction visibility and exception handling can all be needed to identify and manage modern-slavery risk indicators at supply-line level.

| Field | Position |
| --- | --- |
| **Reference status** | Cabinet Office procurement policy note and guidance, updated 16 October 2025. |
| **Reference position** | In-scope organisations must use the guidance to identify and manage modern slavery risks in both new procurement activity and existing contracts. The guidance includes risk-tiering and commercial-lifecycle management.[15] |
| **Primary requirement owners** | Public buyers, procurement teams, contract managers, suppliers, responsible-sourcing teams and labour-chain assurance teams. |
| **Lead question** | Can the labour chain identify and manage modern-slavery risk indicators at supply-line level? |
| **Practical question set** | Are there hidden or opaque intermediaries in the labour route?<br>Can the buyer or contractor identify who actually engages, controls, pays and administers the worker?<br>Are deductions, charges, debt-like arrangements, unexplained net-pay reductions or worker-paid costs visible?<br>Are workers routed through secondary agencies, payroll intermediaries, offshore entities, unknown payers or restricted routes?<br>What risk tier applies to the category, geography, supplier, project or labour route?<br>Were risk controls applied during procurement and during contract operation?<br>Can concerns, exceptions and corrective actions be linked to the relevant supplier, worker route and contract? |
| **Evidence implication** | Modern slavery risk management in temporary labour needs route visibility, worker-treatment indicators, deduction visibility and exception handling. |
| **Upper-chain use** | Modern slavery due diligence, enhanced supplier checks, responsible sourcing, risk controls, social value alignment and contract monitoring. |
| **Interpretive boundary** | The map identifies the evidence required to identify and manage risk indicators in labour supply chains. Route-specific risk assessment remains fact-specific. |

### 5.3.15 Umbrella payslip and pay-transparency guidance

This GOV.UK umbrella-worker and pay-checking guidance supports worker understanding of gross pay, net pay, hours, rates and deductions. It is relevant because payslip, deduction, rate and worker-information records need to reconcile with the supply-line route and payment information.

| Field | Position |
| --- | --- |
| **Reference status** | GOV.UK umbrella-worker guidance and pay-checking support, updated 2025–2026. |
| **Reference position** | Government guidance encourages umbrella workers to understand gross pay, net pay, hours, rates and deductions, and provides support for checking umbrella pay.[16] |
| **Primary requirement owners** | Umbrella companies, agencies, payroll-support teams, workers, hirers relying on worker-outcome assurance and social value leads. |
| **Lead question** | Can the worker-facing payslip position be reconciled with the supply-line route and payment information? |
| **Practical question set** | What hours and rate were used to calculate the payment?<br>What gross pay, net pay and deductions appeared on the payslip?<br>Were statutory and non-statutory deductions distinguishable?<br>Were employer costs wrongly presented as worker deductions or otherwise confusing to the worker?<br>Did the payslip match the KID, assignment rate and worker-facing assignment information?<br>Could the worker check, query or challenge the calculation?<br>Can the chain show that pay transparency was achieved for the relevant worker and pay period? |
| **Evidence implication** | Payslip, hours, rate, deduction and worker-information records must reconcile to support pay transparency. |
| **Upper-chain use** | Pay transparency, worker query handling, fair-work reporting, social value evidence and payroll-route assurance. |
| **Interpretive boundary** | This reference is worker-facing guidance. Its relevance to upper-chain reporting depends on the buyer's, contractor's or framework's chosen fair-work, pay-transparency or worker-treatment requirements. |

SECTION 6

# Cross-Reference Question Clusters

## 6.1 Purpose of this section

The Reference-to-Question Evidence Map shows that different references, with different status, audiences and legal effects, repeatedly depend on the same underlying issue: whether upper-chain requirements can be connected to lower-chain labour activity through reliable supply-line evidence.

The recurring evidence points sit at transaction level. Relevant parties need to identify the worker, project, labour requester, supplier route, direct and indirect parties, employer or contracting party, payer, payroll or payment route, tax treatment, hours, pay, deductions, worker-facing information, accountable party and evidence state.

This section groups those recurring evidence points into cross-reference question clusters. Its purpose is to show where different references require visibility over the same worker-linked engagement and payment outcomes, and to identify the common data themes that supply lines need to capture, hold and report upstream.

## 6.2 Cluster A – Chain and route visibility

**References:** DAO 04/26, HMRC GfC12, umbrella PAYE rules, umbrella market changes, modernising agency work, PPN 009.

- Who is the visible supplier?
- Who are the downstream or indirect suppliers?
- Is there a secondary agency, umbrella company, CIS payer, payroll intermediary, offshore entity, PSC or other route party?
- Which party employs, contracts with or otherwise engages the worker?
- Which party pays or administers the worker?
- Did the route change after supplier onboarding?
- Can the route be evidenced at worker and engagement level?

**Evidence implication:** Chain and route assurance requires worker-linked evidence of the actual supplier route, downstream parties, engagement party, payer and any route change during delivery.

## 6.3 Cluster B – Payer, payroll and tax accountability

**References:** DAO 04/26, umbrella PAYE rules, umbrella market changes, CIS fraud measures, GfC12.

- Who operated PAYE where PAYE applied?
- Was an umbrella company involved?
- Which agency or end client was the relevant accountable party under the umbrella PAYE rules?
- Was CIS used, and was the work genuinely within a CIS-compatible route?
- Was Gross Payment Status relied upon?
- Which worker and payment period does the PAYE, CIS, payroll or payment evidence relate to?
- What did the payer know or what should it have known about the transaction?
- Can gross pay, deductions, net pay, payroll records and payer identity be reconciled?

**Evidence implication:** Payroll and tax assurance requires payment-route evidence that can be attributed to the worker, payer, supplier route, payment period, tax treatment and accountable party.

## 6.4 Cluster C – Worker-facing information and pay transparency

**References:** working through an umbrella company, KID guidance, umbrella payslip guidance, PPN 002, FWA enforcement.

- Did the worker receive required or expected worker-facing information?
- Was the umbrella company or payer identified?
- Was the assignment rate distinguished from gross worker pay?
- Were deductions explained?
- Did the payslip match the KID and assignment information?
- Could the worker raise a query or dispute?
- Can worker-facing pay evidence support fair-work, social-value, inspection or worker-treatment reporting?
- Could the business reconcile worker-facing documents with payroll and payment records?

**Evidence implication:** Pay-transparency assurance requires worker-facing information, payslip data, deduction records and payroll records that reconcile for the relevant worker and pay period.

---

## 6.5 Cluster D – Hours, reference periods and work attribution

**References:** zero-hours / guaranteed-hours reforms, FWA enforcement, Procurement Act KPIs, PPN 002.

- Which worker performed the work?
- Which hirer, site, project, contract or package received the labour?
- Which agency supplied the worker?
- Which hours were worked during the relevant reference period?
- Who directed or supervised the worker?
- Were timesheets approved, disputed or corrected?
- Can hours be mapped to payroll, KPI, social value or workforce-rights reporting?

**Evidence implication:** Hours and work-attribution evidence must connect the worker, hirer, agency, site or project, hours worked, approval state and relevant reporting or reference period.

---

## 6.6 Cluster E – Procurement, framework and contract reporting

**References:** PPN 002, Procurement Act KPI guidance, Contract Performance Notices, DAO 04/26, PPN 009.

- Which framework, lot, call-off, contract, project, work package or purchase order does the labour support?
- Which supplier or agency should the evidence be attributed to?
- Which KPI, social value metric, contract-performance measure or audit item relies on the evidence?
- Is evidence available for the correct reporting period?
- Can it be aggregated for reporting while preserving line-item auditability?
- Can exceptions, corrections and disputes be separated from compliant outcomes?
- Can the evidence support internal assurance, buyer reporting or platform reporting?

**Evidence implication:** Procurement and contract reporting requires supply-line evidence that is project-coded, supplier-attributed, reporting-period-aligned and capable of supporting line-item audit review.

## 6.7 Cluster F – Modern slavery, worker-risk and opaque-route indicators

**References:** PPN 009, GfC12, umbrella / pay-transparency guidance, FWA enforcement, DAO 04/26.

- Are all intermediaries in the route known?
- Does the payer differ from the supplier known to the upper chain?
- Are deductions visible and explainable?
- Are workers routed through payroll structures that make pay or accountability opaque?
- Are supplier or route risks assessed during delivery as well as at onboarding?
- Are risk flags connected to a project, supplier, worker group or reporting period?
- Can corrective action be evidenced?

**Evidence implication:** Worker-risk and opaque-route assessment requires visibility of intermediaries, payer identity, deduction treatment, pay-route transparency, risk flags and corrective-action records at supply-line level.

---

## 6.8 Cluster G – Evidence state and audit readiness

**References:** FWA enforcement, employment agency record keeping, GfC12, Procurement Act reporting, PPN 009.

- Which records exist?
- Which records are missing?
- Which records are disputed?
- Which records have been corrected?
- Which party created each record?
- When was each record created?
- Can the record be linked to the worker, supplier, project, pay period and report?

**Evidence implication:** Audit readiness requires records that are present, attributable, readable, current, reconciled and connected to the relevant worker, supplier, project, pay period and supply line.

---

## 6.9 Cross-reference evidence categories

Sections 6.2 to 6.8 show that the recurring questions can be grouped into common evidence categories. These categories are not a separate compliance standard and do not determine legal liability. They summarise the evidence areas that repeatedly appear across the references.

| Evidence category | Evidence area | Cluster basis |
|---|---|---|
| **Worker attribution** | Worker-linked reference, role, assignment or engagement record, without exposing unnecessary personal data upstream. | Worker-facing information, hours attribution, audit readiness and social value evidence. |
| **Upper-chain requirement attribution** | Project, site, package, contract, lot, call-off, framework, reporting period or other upper-chain requirement link. | Procurement reporting, KPI evidence, social value reporting and DAO 04/26. |
| **Supplier route** | Direct supplier, indirect supplier, agency, secondary agency, subcontractor, payroll intermediary, umbrella company or other route party. | Chain visibility, labour supply-chain assurance, modern slavery risk and umbrella PAYE accountability. |
| **Engagement party** | Party that employs, contracts with, engages, administers or otherwise holds the worker relationship. | Agency-work regulation, umbrella rules, worker-facing information and inspection readiness. |
| **Payer and payroll route** | Party that pays the worker, payroll route used, payroll operator, payment period and payment evidence. | PAYE accountability, umbrella guidance, DAO 04/26, FWA inspection and pay transparency. |
| **Tax or payment treatment** | PAYE, umbrella PAYE, CIS, Gross Payment Status, PSC, offshore or other tax-sensitive payment route. | DAO 04/26, umbrella PAYE rules, Chapter 11 policy, CIS fraud measures and GfC12. |
| **Hours and period** | Hours, shifts, timesheet state, approval state, reference period, pay period and reporting period. | Zero-hours and agency-worker reforms, FWA inspection, payroll evidence and KPI reporting. |
| **Pay and deductions** | Assignment rate, gross pay, net pay, statutory deductions, non-statutory deductions, payslip and deduction explanation. | Umbrella guidance, KID guidance, pay transparency, FWA inspection and fair-work evidence. |
| **Worker-facing information** | KID, assignment details, umbrella information, deduction explanation, payslip information, query route and challenge route. | Worker-facing guidance, pay transparency, fair-work reporting and worker-treatment evidence. |
| **Accountability** | Party responsible for compliance, evidence, correction, failure, PAYE accountability, CIS risk or contract-performance response. | Umbrella PAYE, CIS fraud, GfC12, FWA enforcement and procurement reporting. |
| **Evidence state** | Whether the evidence is present, missing, disputed, corrected, reconciled, exceptioned, current or inspection-ready. | All cross-reference question clusters. |

The practical finding is that the clusters repeatedly depend on the same underlying evidence areas. The references differ in status, audience and legal effect, but the evidence questions repeatedly return to worker-linked, route-specific, payment-aware, project-attributed and accountable supply-line facts.

At this point in the analysis, the requirement is clear. Temporary labour chains need to understand which evidence questions apply, where the relevant facts are created, which parties hold or control those facts, and whether the evidence can be connected back to the upper-chain requirement that the labour supports.

Once those evidence requirements are understood, parties can begin to assess how far existing governance methods are able to meet them. That assessment starts with the practical work of mapping supply lines, identifying the transaction points where key facts are created, controlling desired outcomes where possible, and gathering the evidence needed to support procurement, tax, worker-treatment, reporting, audit and accountability positions.

Section 7 therefore considers the practical constraints that arise when parties try to move from requirement to evidence capture.

# Research Analysis

Operationalising the research outputs into practical evidence constraints, assurance gaps and upstream exposure points.

SLTE–002

SECTION 7

# Evidence Capture Constraints

## 7.1 Purpose of this section

Section 6 identifies the recurring evidence categories that temporary labour chains need to answer across different references. Once those evidence requirements are understood, parties can begin to assess how far existing governance methods are able to meet them.

This section considers the practical constraints that arise when parties try to move from evidence requirement to evidence capture in real temporary labour chains. The constraints are not limited to whether parties know what to ask for. They include how far existing governance methods can reach, whether supply lines can be mapped without disrupting lower-chain commercial boundaries, whether downstream records can be separated from wider business activity, and whether key transaction facts are created early enough to support control rather than retrospective reconstruction.

## 7.2 Existing governance limits

Existing supply-chain governance methods include supplier approval, contractual flow-down, onboarding checks, declarations, questionnaires, audit rights, scorecards, contract reviews, periodic audits and retrospective evidence requests. Those methods remain useful as participation controls and expectation-setting tools. They define who may enter the chain, what standards suppliers are expected to meet and what information may be requested during contract operation or audit. They do not, by themselves, capture the individual worker-linked engagement and payment data now required by modern regulatory obligations. They are mostly supplier-level or contract-level governance methods.

## 7.3 Chain Mapping: An over-reach problem

Sections 3 and 4 explain why temporary labour governance now depends on connecting upper-chain requirements to lower-chain activity through individual supply lines. A supply chain is the wider commercial structure. A supply line is the specific route through which one labour requirement becomes one worker-linked engagement, one payment route, one tax or treatment outcome and one evidence record.

The first practical step is therefore chain mapping. Parties need to identify the organisations within the supply chain that create, control, administer or evidence temporary labour transactions generated by the buyer's, client's, framework operator's or primary contractor's works package.

That mapping needs to identify the visible supplier and the lower-chain parties involved in the relevant labour route. Depending on the route, those parties may include contractors, subcontractors, agencies, secondary agencies, managed-service providers, umbrella companies, payroll intermediaries, CIS payers, employment businesses, labour-only subcontractors and other parties involved in requesting, supplying, engaging, administering, paying, invoicing or reporting the worker-linked transaction.

The purpose is not to convert the whole supply chain into a single open-book relationship. The purpose is to identify the active supply lines through which temporary labour transactions are being created as a result of the upper-chain requirement, and to understand which parties create or hold the facts needed to evidence those transactions.

In principle, that process is simple. In practice, it can be difficult. Upper-chain parties often have a direct contractual relationship only with the supplier immediately below them. A buyer may contract with a main contractor. A main contractor may contract with a subcontractor or agency. The agency may then use another agency, umbrella company, payroll provider, CIS payer or other downstream party. Where there is no direct contractual relationship, direct mapping can create commercial and governance problems. Contacting or inspecting lower-chain parties directly may interfere with existing contractual boundaries, confidentiality duties, pricing sensitivity, supplier relationships, fair-competition expectations, framework rules, tender rules or procurement governance. It may also expose information about margins, client relationships, payment timing, worker allocation or commercial arrangements that the upper-chain party has no general right to inspect.

For that reason, chain mapping will often rely on supplier-provided statements, declarations, supply-chain schedules, onboarding information, audit responses and periodic assurance returns. Those tools can identify known parties and declared routes, but they may not provide ongoing visibility of every active supply line used during delivery.

SECTION 7 CONTINUED

## 7.4 Gross Totals: A separation problem

Once a supply chain has been mapped into relevant supply lines, the next constraint is whether downstream records can be separated and attributed to the upper-chain requirement. Temporary labour chains often settle through aggregated, pooled or gross-period records rather than clean worker-linked, project-linked or buyer-linked transaction records.

A subcontractor may pay an agency a total amount for labour supplied during a period. An agency may pay or instruct a payroll company for a wider group of workers. A payroll company may process workers across multiple agencies, clients, sites, projects and pay periods within the same payroll cycle. A lower-chain supplier may therefore hold accurate records for its own business while not holding them in a form that separates the buyer's, client's, framework operator's or primary contractor's specific labour activity from wider activity.

That structure creates an attribution problem. The total payment, invoice, payroll run or supplier account may be real, but the relevant evidential question is narrower: which individual worker-linked engagements were created because of the upper-chain works package, project, contract, lot, call-off or reporting obligation.

Without line-item attribution, a record may prove that money moved, payroll was processed, workers were paid or invoices were issued while failing to prove which buyer, contractor, project, work package, agency, worker, assignment, route, payer, pay period or reporting period the record supports.

This matters because Section 6 identifies evidence question categories that depend on worker-linked, route-specific, payment-aware and project-attributed facts. Aggregated records may support financial reconciliation between lower-chain parties, but they do not necessarily support upper-chain assurance where the relevant question is whether a specific temporary labour transaction satisfied a specific procurement, tax, worker-treatment, reporting or accountability requirement.

The practical constraint is that lower-chain records may exist, but still be too aggregated, pooled or gross to evidence the relevant supply line without further separation, attribution and reconciliation.

## 7.5 Delayed Formation: A structural timing problem

A further constraint arises from the way many temporary labour transactions are formed in payroll-intermediated routes. In practice, many temporary labour transactions are handled through agencies, umbrella companies, payroll intermediaries, CIS payers or other payment-facilitation parties. In the majority of cases, those parties do not create a fully particularised worker-linked transaction until after the work has been performed.

Instead, the worker may remain on supply under an ongoing employment contract, contract for services, subcontract agreement or other standing relationship. The labour transaction then occurs in fact before it is fully formed in paperwork. Timesheets, assignment details, rate confirmations, site information, approval records, status information and payment instructions are used afterwards to particularise the individual assignment, even though the work, direction, payment entitlement and route exposure have already been created.

That means the party responsible for payroll, payment facilitation or engagement paperwork may receive the key transaction facts retrospectively. The agency, contractor, site team or hirer may have scheduled, directed, supervised or approved the work before the payroll intermediary receives the complete worker, assignment, hours, rate, project, route and treatment information needed to complete the transaction record.

The result is a timing problem. The labour activity has already occurred before the individual engagement is fully particularised in the records of the party that processes or supports the payment route. The worker has worked, direction or supervision may have occurred, pay entitlement may have arisen, tax or treatment decisions may be practically committed, and worker-facing expectations may already have been created.

This retrospective formation model cannot structurally support full proactive control of treatments and outcomes. It may allow records to be completed, reconciled, corrected or audited after the event, but it cannot wholly prevent the wrong route, treatment, payer, deduction pattern, worker-facing information failure or project attribution failure from arising in the first place.

## 7.6 Section conclusion

Taken together, these evidence capture constraints reveal a significant structural mismatch. Modern regulatory obligations increasingly require upper-chain parties to understand, control and evidence supply-line activity, while many temporary labour chains still create, hold and release transaction evidence in fragmented, aggregated and retrospective forms.

Modern requirements increasingly expect upper-chain parties to understand the route, parties, worker-linked activity, payment treatment, tax position, project attribution and accountable party behind temporary labour outcomes. Those expectations assume that supply lines can be mapped, outcomes can be controlled and transaction evidence can be produced when needed.

Existing governance tools do not reliably deliver that position. Supplier approval, contractual flow-down, declarations, audit rights and retrospective evidence requests can set expectations, but they do not provide continuous visibility of active supply lines. Even where parties attempt to map those lines, the process is constrained by contractual distance, confidentiality, commercial sensitivity, fair-competition concerns, framework rules and the absence of direct lower-chain relationships.

Even where a supply line is identified, the evidence may not be usable. Lower-chain records may exist, but they may be aggregated, pooled or gross. They may prove that money moved, payroll was processed or workers were paid without proving which buyer, project, contractor, work package, worker, assignment, route, payer, pay period or reporting obligation the record supports.

Even where relevant data can be separated, it likely arrives too late. In most payroll-intermediated routes, the labour transaction occur in reality before it is fully formed in paperwork. The resulting evidence can support reconstruction, reconciliation and audit, but it cannot provide full proactive control over route, treatment, payer, deductions, worker-facing information, tax position or project attribution before exposure is created.

The current position therefore is that the market is largely incapable of meeting modern regulatory demands sustinably. The upper chain is being asked to evidence a level of transactional control that the lower chain is often not structured to generate, attribute or provide.

SECTION 8

# Implications for Upper-Chain and Adjacent Parties

## 8.1 For public buyers and contracting authorities

The shift from downstream assurance to upstream evidence changes the buyer position. Public buyers and contracting authorities are increasingly expected to evidence the labour outcomes created beneath their contracts, frameworks, projects and work packages, not only the supplier appointments, policy statements or procurement records that sit above them.

That expectation is not abstract. DAO 04/26 points toward transparent, commercially viable and tax-aware supply chains. GfC12 warns that checking only immediate suppliers may not be enough. Procurement rules and guidance create reporting and performance-management expectations. Social value and modern slavery policy require evidence of workforce and supply-chain outcomes. Fair-work and enforcement direction increase the need for records that can survive scrutiny.

If the buyer cannot connect those expectations to the actual labour route, its position becomes exposed. It may report social value without worker-linked evidence, rely on modern slavery controls without route visibility, accept supplier performance without project-attributed labour data, or claim responsible procurement while the relevant pay, tax, deduction and worker-facing facts sit unresolved in the lower chain.

The consequence is a weaker public position. A buyer may face audit challenge, regulatory scrutiny, policy misalignment, reputational damage or poor public defensibility where temporary labour outcomes cannot be evidenced at supply-line level. The problem is not only whether a failure occurred. The problem is whether the buyer can show what happened when challenged.

## 8.2 For main contractors and principal contractors

Main contractors and principal contractors carry the sharpest operational consequence. They sit between the upper-chain requirement and the lower-chain labour market. They need agencies, payroll routes and flexible labour supply to deliver projects, but they also need evidence that the routes used beneath them are commercially viable, tax-aware, worker-transparent, project-attributed and defensible.

The exposure is direct and financially material. Umbrella PAYE rules and Chapter 11 policy can move accountability toward agencies and, in some cases, end clients, including joint and several liability where umbrella companies sit inside labour supply chains. CIS fraud measures create known-or-should-have-known exposure where payments are connected to fraud, with potential consequences for Gross Payment Status, tax loss and penalties. A contractor may not have created the failure, but it may still carry the consequence: the downstream umbrella, CIS payer, secondary agency or payroll intermediary creates the issue, while the contractor faces the client question, framework consequence, audit request, tax-risk review, dispute, press scrutiny or bid impact because the labour was used on its project or package.

This changes the commercial meaning of supply flexibility. A broad agency network may help delivery, but it can also multiply routes that are difficult to evidence. A tight preferred supplier list may improve control, but it can reduce labour availability, slow mobilisation, increase price pressure and weaken project performance. The contractor is forced into a harder operating trade-off: preserve supply flexibility and carry opaque-route risk, or restrict supply routes and carry delivery risk.

The tender consequence is equally serious. Contractors that cannot evidence labour-route control may become weaker bidders for public-sector projects, frameworks and major client environments. They may struggle to evidence tax assurance, fair-work commitments, modern slavery controls, social value delivery, KPI performance, worker treatment and audit readiness. The issue becomes commercial credibility, not only compliance.

Supply-line evidence therefore becomes a contractor resilience issue. It affects margin protection, supplier strategy, project delivery, bid quality, framework retention, client trust, dispute response and public defensibility. A contractor that cannot see, control or evidence its temporary labour routes is not only exposed to downstream failure. It is exposed to losing the right to use flexible labour confidently in regulated, public or high-scrutiny environments.

## 8.3 For procurement platforms and framework operators

Procurement platforms and framework operators sit at the point where buyer requirements are translated into supplier participation, categories, lots, call-offs, reporting fields, contract records and performance workflows.

A platform may help a buyer ask the right questions, collect declarations and organise supplier data, while having limited ability to evidence the labour outcomes created downstream. If the platform records the procurement intention but cannot connect that intention to supply-line evidence, it risks becoming administrative rather than evidential.

That matters because modern procurement is moving toward evidence of delivery, not only procurement design. KPI reporting, contract performance notices, social value commitments, modern slavery controls and responsible procurement expectations all create pressure for evidence that connects the framework, lot, contract or call-off to the actual labour activity underneath it.

Platforms do not need to become payroll systems. They do, however, risk losing relevance if they cannot receive, structure or display evidence outputs from systems closer to the labour transaction. The strategic role of the platform shifts from collecting supplier assertions to helping buyers understand whether the asserted labour outcomes can be evidenced.

## 8.4 For funders and insurers

Funders and insurers underpin large parts of the temporary labour market. They support invoice finance, payroll finance, credit risk, professional risk, employment-related exposure, contractual risk and wider commercial continuity. Their position depends on understanding what risk exists, where it sits and whether it can be attributed.

Supply-line evidence weakness makes that harder. If policyholders, borrowers or insured parties cannot count, track, attribute or control their own temporary labour outcomes, the funder or insurer may be supporting an exposure that the market participant itself cannot properly measure. The risk may sit inside PAYE accountability, CIS treatment, worker deductions, payroll failure, modern slavery indicators, employment-agency compliance, contract performance, recoverability or disputed labour charges.

Aggregated records weaken the risk picture. A payroll run, invoice batch or supplier account may show that money moved, but not which worker, project, route, payer, tax treatment, deduction pattern or accountable party created the exposure. That makes underwriting harder, diligence more intrusive, exclusions more likely, pricing more cautious and claims handling more difficult.

The claims consequence is especially important. Where an issue arises, the funder or insurer may need to understand whether the problem relates to one worker, one pay period, one supplier route, one project, one payroll company or a wider operating pattern. Without supply-line attribution, the exposure is harder to isolate and harder to defend.

The wider market consequence is increased cost of uncertainty. Parties that cannot evidence their supply lines may become more expensive to fund, harder to insure and more difficult to defend. Parties that can evidence worker-linked, route-specific, project-attributed and payment-aware labour activity may become more attractive risks.

## 8.5 Market-level implication

The implication across buyers, contractors, procurement platforms, funders and insurers is the same: temporary labour cannot continue to rely on supplier-level assurance where the relevant obligations now attach to supply-line outcomes.

The market does not only need more information. It needs a structural operating change. Supply lines need to be identified, controlled and evidenced while the labour activity is being created, not reconstructed after the route, payment, tax treatment, worker-facing outcome and exposure have already occurred.

The following sections therefore move from problem to solution. They set out the minimum supply-line evidence model, explain the practical relevance of controlled transaction data, and describe the maturity path from supplier declarations to a shared transaction evidence layer capable of supporting market-wide reliance.

# Conceptual Application

Applying the research analysis to define what supply-line transaction evidence would need to capture, enable and mature into.

SECTION 9

# Minimum Supply-Line Evidence Model

## 9.1 Purpose of the minimum model

This section conceptualises what a minimum supply-line evidence model would need to look like if temporary labour chains were to support modern upper-chain assurance.

The model is not presented as an existing market standard. It is a practical evidence specification drawn from the requirements, constraints and consequences identified in the preceding sections. Its purpose is to identify the least evidence a credible supply line would need to generate, hold and report if buyers, contractors, platforms, funders, insurers and other exposed parties were to rely on it. Under that model, a supply line would not be treated as credible merely because labour was delivered, an invoice was issued, a supplier was approved or a declaration was received. It would become credible only where the core facts of the labour transaction could be identified, attributed, evidenced and reported to the party relying on the outcome.

The practical question is therefore what minimum evidence would be needed to show that temporary labour was requested by the relevant party, supplied through an identifiable route, engaged through an accountable party, paid through a known payment route, taxed on an evidenced basis, treated transparently, attributed to the correct project or contract, and supported by records capable of audit, correction and upstream reporting.

## 9.2 Evidence choke points

A minimum model would need to focus on the choke points where financial exposure, legal accountability and worker-treatment risk are created. These are the points at which a supply line would either become capable of assurance or become structurally difficult to defend.

| Choke point | Minimum evidence question |
|---|---|
| **Requirement origin** | Which buyer, client, framework, contract, project, package, work order created the labour requirement? |
| **Labour supplier** | Which agency, subcontractor, MSP, labour provider or secondary supplier sourced or supplied the worker? |
| **Engager or contracting party** | Which party engaged, contracted with, administered or otherwise held the worker relationship? |
| **Employer or deemed employer** | Which party was employer, deemed employer or otherwise responsible for employment-linked treatment? |
| **Payroll operator** | Which party operated payroll, issued payslips, handled deductions or administered the payment route? |
| **Payer and funds flow** | Which party paid whom, what amounts, what was retained / deducted and what reached the worker? |
| **Tax calculation and payment** | How were PAYE, NICs, CIS deductions, VAT, employer costs, apprenticeship levy, holiday pay, pension contributions, statutory payments or other tax-sensitive amounts calculated, withheld, paid, reported or evidenced? |
| **Payment route** | Which party determined the employment status and what engagement route was operated? |
| **Route accountability** | Which party was accountable for payroll correctness, correction and evidence failure? |
| **Worker-facing transparency** | Did the worker receive clear information about the route, assignment, rate, gross pay, deductions, net pay, payslip, query route and challenge route? |
| **Project attribution** | Which contract, project, package, framework, lot, KPI, social value measure or reporting period did the labour support? |
| **Evidence timing** | Was the relevant evidence captured before, during or after the labour activity? |
| **Exception state** | Was any route, payment, deduction, tax treatment, worker information or project attribution missing, disputed, corrected, reconciled or escalated? |

These choke points matter because they are where liability, cost leakage, tax failure, pay failure, worker harm, procurement misstatement and reputational exposure are created. A supply line that cannot answer these questions may still deliver labour, but it cannot reliably support modern upper-chain assurance.

## 9.3 Minimum evidence categories

The choke points would translate into minimum evidence categories. These categories would define the operating evidence needed for buyers, contractors, platforms, funders, insurers and other exposed parties to rely on a temporary labour supply line.

| Evidence category | What must be evidenced | Why it matters |
|---|---|---|
| **Requirement origin** | The buyer, client, framework, contract, project, package, site, work order or reporting obligation that created the labour requirement. | Connects the labour transaction to the party relying on the outcome. |
| **Supply route** | The visible supplier, indirect suppliers, agencies, secondary agencies, subcontractors, managed-service providers, umbrella companies, payroll intermediaries or CIS payers in the route. | Shows how the labour requirement became a worker-linked supply line. |
| **Engagement and employer position** | The party that engaged, employed, contracted with or administered the worker, including any employer or deemed-employer position. | Supports employment, worker-treatment and route-accountability analysis. |
| **Payroll and payer position** | The party that operated payroll, made payment, issued payslips, handled deductions or controlled the payment route. | Supports PAYE, umbrella, CIS, deduction and pay-transparency evidence. |
| **Funds flow** | The movement of money through the supply line, including amounts charged, retained, deducted, paid onward and received by the worker. | Identifies leakage, margin pressure, hidden deductions and payment-route opacity. |
| **Tax calculation and payment** | The basis on which tax-sensitive amounts were calculated, withheld, paid, reported or evidenced. | Supports PAYE accountability, CIS assurance, tax-risk review and audit response. |
| **Worker-facing information** | KID, assignment details, umbrella information, pay rate, assignment rate, gross pay, deductions, net pay, payslip, query route and challenge route. | Shows whether the worker understood the route and whether worker-facing information reconciled with the payment outcome. |
| **Worker treatment and transparency** | Fair pay, lawful deductions, holiday treatment, working-time visibility, grievance access, query handling and protection from opaque or exploitative routes. | Supports fair-work, social value, ESG, modern slavery and responsible procurement positions. |
| **Project and reporting attribution** | The project, contract, package, framework, lot, KPI, social value measure or reporting period to which the labour relates. | Allows upper-chain reporting to be supported by actual transaction evidence. |
| **Accountability and correction** | The party responsible for route failure, payroll failure, tax failure, worker-information failure, correction, remediation and evidence response. | Prevents exposure from becoming unattributed when a failure occurs. |
| **Evidence state and timing** | Whether records are present, missing, disputed, corrected, reconciled, time-stamped, contemporaneous or retrospective. | Distinguishes proactive control from after-the-event reconstruction. |

## 9.4 Minimum reporting outputs

A minimum model would need to produce reliable evidence outputs without creating unrestricted visibility across every lower-chain commercial relationship.

Those outputs would allow a relevant party to identify whether the labour route is approved, restricted, unknown or not evidenced; whether PAYE, umbrella, CIS or another route is present and evidenced; whether worker-facing information has been provided and reconciled; whether project attribution is confirmed; whether tax calculation evidence is available; whether payment and deductions reconcile; and whether exceptions are open, corrected, escalated or unresolved.

The reporting output would translate lower-chain transaction facts into upper-chain assurance language. A buyer, contractor, platform, funder or insurer would be able to see the status of the supply line while unrelated pricing, margins, client lists, payroll populations and commercially sensitive records outside the relevant transaction remain outside the reporting view.

## 9.5 Minimum quality requirements

A minimum evidence model would depend on evidence quality as much as evidence content. A record would have limited assurance value where it exists in isolation but cannot be attributed, reconciled, tested or reported.

For a supply line to support modern assurance, the evidence would need to be worker-linked, route-specific, project-attributed, payment-aware, tax-treatment-aware, time-stamped, reconcilable, exception-capable, role-accessible and audit-ready.

Worker-linked evidence would connect the record to the relevant worker without exposing unnecessary personal data upstream. Route-specific evidence would identify the actual labour route used. Project-attributed evidence would connect the labour to the contract, framework, package or reporting obligation. Payment-aware and tax-treatment-aware evidence would show how money, deductions, tax calculations and payment responsibilities moved through the line. Time-stamped and reconcilable evidence would show when the facts were created and whether they matched across records. Exception-capable evidence would record failure, correction and dispute. Role-accessible evidence would allow each party to see the facts relevant to its obligation while keeping unrelated lower-chain commercial activity outside the reporting view.

A supply line that failed to meet these minimum conditions could still deliver labour, but it would remain structurally weak as a basis for modern upper-chain assurance.

SECTION 10

# Practical Relevance of Controlled Transaction Data

## 10.1 Why transaction timing matters

The minimum evidence model would require more than retrospective evidence gathering. Late evidence may support reconstruction, reconciliation and audit, but it leaves the route, payment, tax treatment, worker-facing information, deduction position and project attribution exposed until after the labour activity has already created the outcome.

This timing issue is central to temporary labour governance. Where the labour transaction occurs before the evidence is created, the market is left auditing exposure rather than controlling it. The transaction has already produced a worker outcome, a payment expectation, a tax position, a reporting consequence and a potential liability position.

The practical requirement would therefore be controlled transaction data: evidence created through the operating process that requests, supplies, approves, works, pays, taxes, invoices and reports the labour transaction.

## 10.2 Controlled transaction data

Controlled transaction data would be worker-linked, route-specific, project-attributed and payment-aware data created as part of the process through which temporary labour activity becomes economically real.

An audit pack is usually assembled after the event from documents that may or may not reconcile. Controlled transaction data would be created as the transaction progresses, so that the supply line records the facts needed for assurance at the point those facts are created.

In practical terms, controlled transaction data would connect the labour request, supplier route, assignment, worker-facing information, route approval, work record, timesheet, pay calculation, tax calculation, deduction treatment, payment, invoice, reporting output, exception record and correction history.

The purpose would be to make temporary labour flexibility evidentially safe. Agencies, contractors, payroll operators and intermediaries could continue to perform different roles, while the core facts of the transaction are captured in a form capable of attribution and reliance by the parties exposed to the outcome.

## 10.3 Single source of market truth

A sustainable evidence position would require a single source of market truth for the temporary labour transaction.

That concept means a shared transaction evidence layer that allows each authorised party to rely on the same verified supply-line facts, with access limited to the facts relevant to that party's role, obligation and risk position.

The buyer may need contract, route, social value, KPI and assurance status. The contractor may need supplier, route, payer, tax, project and exception data. The agency may need worker, assignment, engagement and worker-facing records. The payroll operator may need pay, deduction, tax and payslip data. The funder may need debtor, invoice, payment-route and recoverability evidence. The insurer may need risk category, evidence state, exception state and claim-defensibility information.

Each party would see a different role-based view, while relying on the same underlying transaction facts.

## 10.4 Role-based reliance without open-book exposure

Section 7 identifies overreach as a structural barrier. Upper-chain parties may need evidence from lower-chain activity, while direct inspection of downstream relationships can interfere with confidentiality, pricing sensitivity, supplier relationships, framework rules, tender governance and commercial boundaries.

A controlled transaction evidence layer would separate evidence reliance from unrestricted commercial disclosure. It would make the relevant transaction facts available to the relevant party while keeping unrelated lower-chain activity outside the reporting view.

A buyer would need assurance that labour used on its project was routed, paid, taxed and evidenced properly. A contractor would need assurance that the route used for its package was controlled and attributable. A funder or insurer would need assurance that the funded or insured exposure could be counted, tested and defended. None of those positions would require open access to every payroll record, supplier relationship or commercial arrangement in the wider chain.

The operating principle would be role-based reliance. Each party would receive the evidence needed for its obligation and risk position, while the market preserves commercial boundaries and avoids converting temporary labour governance into a full open-book disclosure exercise.

## 10.5 Practical relevance

The practical relevance of controlled transaction data would be the reduction of the gap between obligation and evidence.

Supply lines could be approved, restricted or challenged before exposure becomes embedded. PAYE, umbrella and CIS defensibility would be stronger. Funds flow, deductions and worker-cost leakage would be more visible. Worker-facing transparency and pay-route understanding would improve. Labour activity would connect more reliably to projects, contracts, frameworks, KPIs and social value measures. Funders and insurers would have a clearer view of exposure. Procurement platforms would receive stronger evidence outputs. Contractors would have a stronger route between labour flexibility and client defensibility.

The most important change would be timing. Controlled transaction data would move assurance away from asking what happened after the event and toward controlling what is allowed to happen while the supply line is active.

That would be the practical operating change required by modern temporary labour governance.

SECTION 11

# Evidence Maturity Model

## 11.1 Purpose of the maturity model

The evidence maturity model would describe the market transition from supplier assurance to controlled transaction evidence.

Its purpose would be to show how temporary labour chains could move from supplier assertions and retrospective documents toward supply-line evidence created, attributed and shared early enough to support the party carrying the obligation.

The maturity question would be whether evidence was created early enough, attributed clearly enough and shared reliably enough to support the party relying on the labour outcome.

## 11.2 Evidence maturity levels

| Level | Maturity state | Description | Evidence position |
|---|---|---|---|
| **Level 1** | Supplier assertion | The supplier states that the route is compliant, approved or acceptable. | Weakest position. The upper chain relies on statement rather than transaction evidence. |
| **Level 2** | Supplier documentation | The supplier provides policies, declarations, onboarding documents, certificates, sample records or standard compliance materials. | Improves participation assurance but may not show what happened in the specific supply line. |
| **Level 3** | Retrospective audit pack | Evidence is assembled after the event from invoices, timesheets, payroll records, payslips, declarations, contract documents and supplier responses. | Can support reconstruction, but may be late, incomplete, inconsistent or difficult to attribute. |
| **Level 4** | Attributed supply-line evidence | Evidence is connected to the worker, route, payer, project, contract, pay period and accountable party. | Creates a stronger assurance position because the evidence can be linked to the relevant transaction. |
| **Level 5** | Controlled transaction evidence | Evidence is created as the labour transaction is requested, approved, worked, paid, taxed, invoiced and reported. | Supports control as well as audit because evidence creation moves closer to exposure creation. |
| **Level 6** | Shared market truth | Authorised parties rely on a common transaction evidence layer with role-based access, exception status, correction lineage and audit history. | Strongest position. The same core facts support buyers, contractors, agencies, payroll operators, platforms, funders and insurers without unrestricted open-book exposure. |

## 11.3 Interpretation of the model

The model would show why supplier-level assurance has limited value under upstream evidence expectations. Supplier assertions and documentation may remain useful, but they sit too far away from the worker-linked transaction to support the full range of modern procurement, tax, worker-treatment, social value, modern slavery, audit and funding expectations.

Retrospective audit packs would improve the position, but they would remain reactive. They would help parties explain what happened after the labour activity occurred, while leaving route, payer, tax treatment, deduction position, worker-facing information and project attribution exposed before the evidence is assembled.

Attributed supply-line evidence would be the first meaningful step toward modern assurance. It would connect the evidence to the relevant worker, route, payer, project, period and accountable party. It would allow the upper chain to understand which transaction created which outcome.

Controlled transaction evidence would create a stronger position. It would create evidence as part of the operating process itself, allowing parties to identify route failures, missing information, tax-sensitive treatments, worker-facing gaps, project-attribution failures and payment exceptions while the supply line is still active.

Shared market truth would represent the highest maturity state. It would allow different parties to rely on the same core transaction facts without each party recreating, requesting or independently reconciling the evidence after the event.

## 11.4 Section conclusion

Temporary labour governance is moving from supplier declarations and retrospective assurance toward controlled transaction evidence capable of supporting upstream reliance.

This would not require every party to own every process. It would require the supply line to produce evidence that the relevant party can rely on. The buyer would need evidence for procurement and public defensibility. The contractor would need evidence for project delivery, route control and financial exposure. The platform would need evidence outputs that support framework and contract reporting. The funder and insurer would need evidence that risk can be counted, attributed and defended. The worker would need transparency over pay, deductions, route and challenge rights.

The sustainable market position would be controlled supply-line transaction evidence: a worker-linked, route-specific, project-attributed, payment-aware and tax-aware evidence layer that allows each party to rely on the same core facts while unrelated lower-chain commercial activity remains outside the reporting view.

SECTION 12

# Conclusion

This paper's finding is that modern temporary labour governance is moving from downstream supplier mandates to upstream supply-line transaction evidence.

The temporary labour market can no longer be understood only through supplier approval, contractual flow-down, declarations, retrospective audit packs or downstream compliance mandates. Those methods remain useful, but they do not provide the evidence now required to show what happened in the worker-linked transaction where the labour outcome was formed.

The relevant evidence sits inside the supply line. It is created when a labour requirement becomes a worker engagement, a route decision, a payment route, a tax treatment, a deduction position, a worker-facing record, a project attribution and an accountable outcome.

The references assessed in this paper differ in status, audience and legal effect, but they repeatedly return to the same operating requirement: parties need clearer evidence of who supplied the worker, who engaged the worker, who paid the worker, how the worker was treated, which tax or payment route was used, which project or contract the labour supported, and whether the records are present, attributable, reconciled and capable of upstream reliance.

Temporary labour assurance therefore needs to move closer to the point where exposure is created. The market needs evidence that is worker-linked, route-specific, project-attributed, payment-aware, tax-aware, time-stamped, exception-capable and capable of controlled upstream reporting.

The upper chain owns the requirement.
The lower chain creates the transaction.
The supply line is the evidence route between the two.

APPENDIX A

# Appendix A – Reference Register

This register records the core references used for the Reference-to-Question Evidence Map. It should be maintained as a controlled evidence register. Dates and reference status should be rechecked before external publication.

| Reference | Issuing body | Relevance to this document |
|---|---|---|
| **REC Recruitment Industry Status Report 2024/25** | Recruitment and Employment Confederation | Market scale: £40.6bn GVA, 76.7% temporary/contract GVA, 872,000 temps/contractors on assignment any given day in 2024. |
| **DAO 04/26 – Tax Arrangements** | HM Treasury / Cabinet Office | Temporary labour procurement, transparent commercially viable chains, pricing, direct and indirect supplier tax assurance. |
| **Help with labour supply-chain assurance – GfC12** | HMRC | Supply-chain assurance beyond immediate supplier/customer checks. |
| **PAYE rules for labour supply chains that include umbrella companies from 6 April 2026** | HMRC | Operational guidance on PAYE accountability for agency/end client where umbrella company employs workers. |
| **PAYE changes for the umbrella company market** | HMRC / HM Treasury | Policy and legislative explanation of joint and several PAYE liability for umbrella supply chains. |
| **Employment Status Manual ESM2405 – Umbrella companies legislation** | HMRC | Explains circumstances and amounts for agency/client joint and several liability and purported umbrella application. |
| **Working through an umbrella company** | HMRC / UK Government | Worker-facing guidance on umbrella companies, KID, assignment rate, deductions, gross pay and net pay. |
| **Key information document guidance for agency workers paid through umbrella companies** | Fair Work Agency / DBT / EAS | Guidance helping workers understand KID content where paid through umbrella companies. |
| **Construction Industry Scheme: tackling fraud** | HMRC | CIS anti-fraud powers from 6 April 2026, known/should-have-known test, GPS removal, tax loss and penalties. |
| **CISR85010 – CIS fraud measures introduction** | HMRC | Manual guidance on CIS fraud measures and powers from 6 April 2026. |
| **Factsheet: Reforms of zero-hours and similar contracts** | UK Government / DBT | Explains reforms aimed at predictable work and guaranteed-hours offers. |
| **Ending one-sided flexibility consultation** | DBT | Includes consultation detail on calculating guaranteed-hours offers for agency workers by hirer/reference period. |
| **Modernising the Agency Work Regulatory Framework** | DBT | Consultation recognising complexity of agency/umbrella supply chains and protection gaps. |
| **Fair Work Agency enforcement statement** | DBT / Fair Work Agency | Enforcement powers and investigation methods including information requests, inspection, interviews and visits. |
| **Record keeping for employment agencies and businesses** | Fair Work Agency / UK Government | Agency record keeping, access to records and inspection/enforcement context. |
| **PPN 002 – The Social Value Model** | Cabinet Office | Social value requirements for in-scope central government procurements. |
| **Guide to using the PPN 002 Social Value Model** | Cabinet Office | In-scope commercial practitioners must use the guide across stages of the commercial lifecycle. |
| **Procurement Act 2023 – Key Performance Indicators guidance** | Cabinet Office | KPI definition and contract lifecycle performance assessment. |
| **Procurement Act 2023 – Contract Performance Notices guidance** | Cabinet Office | Publication of supplier performance information including KPI performance where applicable. |
| **PPN 009 – Tackling modern slavery in government supply chains** | Cabinet Office | Requires in-scope organisations to identify and manage modern slavery risks in new procurement and existing contracts. |
| **PPN 009 guidance** | Cabinet Office | Guidance on identifying, tiering and managing modern slavery risk across procurement and contract delivery. |

APPENDIX B

# Appendix B – Reference-to-Requirement Extraction Table

This appendix separates the reference-derived requirement from the document's interpretation. It is designed to protect credibility by avoiding implied overstatement.

| Reference | Reference-derived position | Interpretation used in this paper | Limit / caution |
|---|---|---|---|
| **DAO 04/26** | Temporary labour procurement by central government bodies must be transparent, commercially viable, priced with employment/tax/supplier costs and margins, and supported by direct/indirect supplier tax assurance. | Upper-chain parties need route, payer, employer, tax, cost and supplier visibility beyond the first-tier supplier. | Directly applies to central government bodies; broader use is strategic and supply-chain-facing. |
| **HMRC GfC12** | Immediate supplier/customer checks may be insufficient; businesses should understand the chain, check before/during contract, verify and keep records. | Supplier approval must be supplemented by chain-below and transaction-route evidence. | Guidance with chain-understanding relevance. |
| **Umbrella PAYE rules** | Agency/end client is responsible for ensuring PAYE correctness where umbrella companies employ workers; HMRC may recover underpaid PAYE. | Umbrella, agency, end-client, payer and PAYE evidence must be identifiable at supply-line level. | Liability depends on facts and statutory rules. |
| **Umbrella market changes / Chapter 11** | Policy introduces joint and several liability for PAYE in umbrella supply chains. | PAYE accountability becomes an upper-chain risk-allocation and evidence question. | Policy/statutory interpretation requires professional advice. |
| **Umbrella / KID / worker guidance** | Workers should receive information about umbrella company, assignment rate, deductions and minimum gross pay. | Worker-facing information must reconcile with payroll and payslip evidence where fair-work/pay-transparency claims are made. | Upper-chain duty depends on the relevant legal, contractual and procurement context. |
| **CIS fraud measures** | HMRC can act where a business knew or should have known CIS payments/credits were connected to fraud. | CIS use requires payment-line, route, work-substance and knowledge-sensitive evidence. | CIS compliance remains route- and fact-specific. |
| **Zero-hours / agency-worker reforms** | Government reforms create or develop guaranteed-hours concepts tied to hours worked, with agency-worker materials referencing hours for a hirer during a reference period. | Hirer, hours, reference period and direction/supervision become important evidence categories. | Some detail remains developing / subject to regulations or consultation outcomes. |
| **Modernising agency work** | Consultation recognises agency/umbrella complexity and protection gaps. | Role allocation and route mapping are necessary to manage complex supply lines. | Consultation material; used as policy-direction evidence. |
| **FWA enforcement** | FWA investigations may include information requests, record inspection, interviews and visits. | Worker, pay, hours, deduction and provider records need to be inspectable and reconcilable. | General enforcement reference; case-specific relevance varies. |
| **Agency record keeping** | Agencies/employment businesses must keep relevant records and may be inspected. | Assignment-level records must link to worker, hirer, pay route and relevant supply-line events. | Exact requirements depend on applicable agency rules. |
| **PPN 002** | Social value is implemented across commercial lifecycle for in-scope central government procurement. | Labour-linked social value claims need delivery evidence, as well as tender commitments. | Reference sets social value requirements; data model implications are interpretive. |
| **Procurement Act KPIs** | KPIs assess supplier performance during contract lifecycle. | Labour-related KPIs require measurable, contract-attributed evidence where selected. | Not every labour outcome is necessarily a KPI. |
| **Contract Performance Notices** | Supplier performance information may be published, including KPI performance where applicable. | Labour performance data must be structured before it can support reporting. | Publication requirements depend on contract and thresholds. |
| **PPN 009** | In-scope organisations must identify and manage modern slavery risks in new procurement and existing contracts. | Hidden labour routes, deduction anomalies and worker-treatment indicators require visibility where relevant to risk management. | Risk assessment remains route- and fact-specific. |

APPENDIX C

# Appendix C – Question-to-Data Field Matrix

Legend: ● primary field; ○ supporting field.

| Evidence question | Worker | Project / contract | Supplier route | Employer / engager | Payer | Hours / period | Pay | Deductions | Tax route | Worker-facing info | Accountable party | Evidence state |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Who supplied the worker? | ○ | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ● | ● |
| Who are the direct and indirect suppliers? | ○ | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ● | ● |
| Who employed or contracted with the worker? | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● | ● | ● |
| Who paid the worker? | ● | ○ | ○ | ○ | ● | ○ | ● | ● | ● | ● | ● | ● |
| Was an umbrella company involved? | ● | ○ | ● | ● | ● | ○ | ● | ● | ● | ● | ● | ● |
| Which agency had the end-client contract? | ○ | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ● | ● |
| Did the worker receive KID / assignment information? | ● | ○ | ● | ○ | ○ | ○ | ● | ● | ○ | ● | ○ | ● |
| Did the payslip reconcile to KID / assignment rate? | ● | ○ | ○ | ○ | ● | ● | ● | ● | ● | ● | ○ | ● |
| Was CIS used? | ○ | ● | ● | ● | ● | ○ | ● | ○ | ● | ○ | ● | ● |
| Was Gross Payment Status relied upon? | ○ | ● | ● | ○ | ● | ○ | ○ | ○ | ● | ○ | ● | ● |
| What hours were worked for which hirer? | ● | ● | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● |
| Which social value claim does the labour support? | ● | ● | ● | ○ | ○ | ● | ● | ○ | ○ | ● | ○ | ● |
| Which KPI or performance measure is supported? | ○ | ● | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● |
| Are there modern slavery / opaque-route indicators? | ● | ● | ● | ● | ● | ○ | ● | ● | ○ | ● | ● | ● |
| Can records be produced for inspection? | ● | ○ | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| What is missing, disputed or corrected? | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ● | ● |

APPENDIX D

# Appendix D – Reference-to-Data-Field Matrix

Legend: ● primary field; ○ supporting field.

| Reference | Worker | Project / contract | Supplier route | Employer / engager | Payer | Hours / period | Pay | Deductions | Tax route | Worker-facing info | Accountable party | Evidence state |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DAO 04/26 | ○ | ● | ● | ● | ● | ○ | ● | ○ | ● | ○ | ● | ● |
| HMRC GfC12 | ○ | ○ | ● | ● | ● | ○ | ○ | ○ | ● | ○ | ● | ● |
| Umbrella PAYE rules 2026 | ● | ○ | ● | ● | ● | ○ | ● | ● | ● | ● | ● | ● |
| Umbrella market changes / Chapter 11 | ● | ○ | ● | ● | ● | ○ | ● | ○ | ● | ○ | ● | ● |
| Umbrella / KID guidance | ● | ○ | ● | ● | ● | ○ | ● | ● | ○ | ● | ○ | ● |
| CIS fraud measures | ○ | ● | ● | ● | ● | ○ | ● | ○ | ● | ○ | ● | ● |
| Zero-hours / agency-worker reforms | ● | ● | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● |
| Modernising agency work framework | ● | ○ | ● | ● | ● | ○ | ○ | ○ | ○ | ● | ● | ● |
| FWA enforcement statement | ● | ○ | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Agency record keeping | ● | ○ | ● | ● | ● | ● | ● | ○ | ○ | ● | ● | ● |
| PPN 002 Social Value Model | ● | ● | ● | ○ | ○ | ● | ● | ○ | ○ | ● | ○ | ● |
| Procurement Act KPIs | ○ | ● | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● |
| Contract Performance Notices | ○ | ● | ● | ○ | ○ | ● | ○ | ○ | ○ | ○ | ● | ● |
| PPN 009 Modern Slavery | ● | ● | ● | ● | ● | ○ | ● | ● | ○ | ● | ● | ● |
| Umbrella payslip / pay transparency | ● | ○ | ● | ● | ● | ● | ● | ● | ● | ● | ○ | ● |

APPENDIX E

# Appendix E – Non-Legal Interpretation Note

This document is a research and strategy paper for evidence interpretation. Legal, tax, procurement, employment, audit, financial, funding, insurance, ESG, social value and compliance advice require professional review.

The reference interpretations identify practical evidence questions. Liability, employment status, tax status, procurement compliance, social value compliance and regulatory breach require separate determination.

Readers should obtain appropriate professional advice before relying on any conclusion for legal, tax, procurement, employment, audit, financial, insurance, funding, ESG, social value or compliance purposes.

REFERENCE NOTES

# Reference notes and references


Recruitment and Employment Confederation, *Recruitment Industry Status Report 2024/25* public summary and press release, reporting £40.6bn GVA, 76.7% sector GVA from temporary/contract placements, and around 872,000 temporary or contract workers on assignment on any given day in 2024. https://www.rec.uk.com/our-view/research/recruitment-and-industry-status-report/uk-recruitment-industry-status-report-202425 and https://www.rec.uk.com/our-view/news/press-releases/recruitment-sector-contributes-more-40-pounds-billion-year-uk-economy-despite-tough-job-market↩

HM Treasury / Cabinet Office, *DAO 04/26 Tax Arrangements*, published 10 June 2026. https://www.gov.uk/government/publications/dao-0426-tax-arrangements/dao-0426-tax-arrangements↩

HMRC, *Help with labour supply chain assurance - GfC12: recommended approach to assurance*, updated 16 January 2025. https://www.gov.uk/guidance/help-with-labour-supply-chain-assurance-gfc12/recommended-approach-to-assurance↩

HMRC, *PAYE rules for labour supply chains that include umbrella companies from 6 April 2026*, published 17 September 2025 and updated 19 June 2026. https://www.gov.uk/guidance/paye-rules-for-labour-supply-chains-that-include-umbrella-companies-from-6-april-2026↩

HMRC / HM Treasury, *PAYE changes for the umbrella company market*, published 26 November 2025, and HMRC Employment Status Manual ESM2405. https://www.gov.uk/government/publications/paye-changes-for-the-umbrella-company-market and https://www.gov.uk/hmrc-internal-manuals/employment-status-manual/esm2405↩

UK Government, *Working through an umbrella company*; UK Government, *Agency workers: your rights - basic information you should receive*; and *Key information document: guidance for agency workers paid through umbrella companies*. https://www.gov.uk/guidance/working-through-an-umbrella-company, https://www.gov.uk/agency-workers-your-rights/basic-information-you-should-receive and https://www.gov.uk/guidance/key-information-document-guidance-for-agency-workers-paid-through-umbrella-companies↩

HMRC, *Construction Industry Scheme: tackling fraud*, published 26 November 2025; and HMRC Manual CISR85010. https://www.gov.uk/government/publications/construction-industry-scheme-tackling-fraud and https://www.gov.uk/hmrc-internal-manuals/construction-industry-scheme-reform/cisr85010↩

UK Government, *Factsheet: Reforms of zero-hours and similar contracts*, 2026; Department for Business and Trade, *Ending one-sided flexibility: consultation document*, 2 June 2026; Employment Rights Act 2025. https://assets.publishing.service.gov.uk/media/6a1d6024c7335e2ca6daad8c/zero-hours-contracts.pdf, https://assets.publishing.service.gov.uk/media/6a22e4b056e988a798b3870d/ending-one-sided-flexibility-reforms-zero-hours-similar-contracts-consultation-document.pdf and https://www.legislation.gov.uk/ukpga/2025/36↩

Department for Business and Trade, *Make Work Pay: modernising the Agency Work Regulatory Framework*, published 6 February 2026. https://www.gov.uk/government/consultations/make-work-pay-modernising-the-agency-work-regulatory-framework↩

Department for Business and Trade / Fair Work Agency, *Fair Work Agency enforcement statement*, published 19 May 2026. https://www.gov.uk/government/publications/fair-work-agency-enforcement-policy-statement/fair-work-agency-enforcement-statement↩

UK Government, *Record keeping for employment agencies and businesses*. https://www.gov.uk/record-keeping-for-employment-agencies-and-businesses/inspections-and-enforcement-of-the-rules and https://www.gov.uk/record-keeping-for-employment-agencies-and-businesses/storing-and-accessing-records↩

Cabinet Office, *PPN 002: The Social Value Model* and *Guide to using the Social Value Model*, published 5 March 2025. https://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/procurement-policy-note-002-the-social-value-model-html and https://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/ppn-002-guide-to-using-the-social-value-model-html↩

Cabinet Office, *Procurement Act 2023 guidance: Key Performance Indicators*, updated 20 April 2026. https://www.gov.uk/government/publications/procurement-act-2023-guidance-documents-manage-phase/guidance-key-performance-indicators-html↩

Cabinet Office, *Procurement Act 2023 guidance: Contract Performance Notices*, updated 20 April 2026, and *New legislative requirements under the Procurement Act 2023*. https://www.gov.uk/government/publications/procurement-act-2023-guidance-documents-manage-phase/guidance-contract-performance-notices-html and https://www.gov.uk/government/publications/procurement-act-2023-short-guides/new-legislative-requirements-under-the-procurement-act-2023-html↩

Cabinet Office, *PPN 009: Tackling modern slavery in government supply chains*, updated 16 October 2025; *PPN 009 Guidance on tackling modern slavery in government supply chains*; and ARTT guidance. https://www.gov.uk/government/publications/ppn-009-tackling-modern-slavery-in-government-supply-chains, https://www.gov.uk/government/publications/ppn-009-tackling-modern-slavery-in-government-supply-chains/ppn-009-guidance-on-tackling-modern-slavery-in-government-supply-chains-html and https://www.gov.uk/government/publications/ppn-009-tackling-modern-slavery-in-government-supply-chains/anti-slavery-risk-tiering-tool-artt-guidance↩

UK Government, *Working through an umbrella company* and *Work out pay from an umbrella company*. https://www.gov.uk/guidance/working-through-an-umbrella-company and https://www.gov.uk/guidance/work-out-pay-from-an-umbrella-company↩