



Supply Chains Under the Spotlight: Who's Really the Employer Now?

A major shift in employer liability is coming –and it reaches further up the labour chain than many expect.

FROM THE TEAM

A note from us

Each month we will discuss a topic which we feel should be brought to your attention, this could be a regulatory change, a recruitment trend, a client case study, or a leadership idea worth your time.

The 'word on the street' is that the Home Office is proposing to introduce a significant update to Section 15A of the Immigration, Asylum and Nationality Act, reshaping how liability is assigned in cases of illegal working. For providers operating within layered labour supply models, this marks a fundamental shift — responsibility may no longer sit solely with the direct employer.

We understand the Home Office is talking to stakeholders to seek their input before making a final decision on how to incorporate this within the Immigration rules. This gives us time as care providers to get our house in order.

Our key takeaway is if your workforce model involves third parties, substitutions, or layered supply, now is the time to map your exposure and strengthen your compliance — before liability reaches you.

— *Jasmine Sehgal, Director*

SECTION 1

Liability now extends across the chain

Under the updated approach, if your organisation sits anywhere within a labour supply chain, you may be treated as the employer for compliance purposes. For example, where Company A engages Company C, who supplies Worker D, both A and C could be considered liable. As supply chains become more complex, so too does the distribution of risk.

Practical implications for providers

Unsurprisingly, this has prompted concern across the sector. Key risks include unclear lines of accountability, the potential for liability to be pushed up the chain, and operational disruption — particularly in scenarios involving last-minute agency cover, which are common in care settings.

The Home Office has indicated that enforcement will continue to focus primarily on the direct employer. However, where this cannot be clearly established, other parties in the chain may be held accountable unless they can demonstrate robust compliance practices.

Building your statutory defence

Organisations can protect themselves by establishing a “statutory excuse.” This requires:

- Clear and comprehensive written agreements (including with subcontractors)
- Consistent right-to-work checks, including for substitute workers
- Proportionate and well-documented identity verification processes

Importantly, not all arrangements fall within scope. Routine service procurement (e.g. hiring a cleaner for office premises) is unlikely to trigger liability — but structured labour supply chains will.

What happens next

Further Home Office guidance is expected, including practical examples to clarify how these rules will be applied. Businesses will also have an opportunity to provide input before the changes are finalised in June.

SECTION 2

Protecting your business — tips & tricks

Practical, actionable advice you can apply this month. With supply chain liability expanding, small compliance gaps can quickly become major risks.

Tip 1 — Mapping your labour supply chain

The risk:

If you don't have a clear view of who supplies your workers (and who supplies *them*), you could unknowingly sit in a liability chain. In the event of illegal working, “we didn't know” won't hold up.

The fix:

- Map every labour source you use — agencies, subcontractors, platforms
- Identify who is responsible for right-to-work checks at each step
- Document this clearly in one central register you can review monthly

Tip 2 — Right-to-work checks beyond your direct hires

The risk:

Relying on agencies to “handle compliance” is no longer enough. If a substitute or temporary worker hasn’t been properly checked, liability may still reach you.

The fix:

- Require evidence of right-to-work checks for *all* supplied workers (including last-minute cover)
- Introduce spot-check audits on agency-provided documentation
- Ensure your internal team knows when and how to escalate gaps immediately

Tip 3 — Strengthening contracts and statutory excuse

The risk:

Vague agreements with suppliers leave gaps in accountability. Without clear written terms, building a statutory excuse becomes much harder.

The fix:

- Update contracts to explicitly define compliance responsibilities
- Include clauses covering substitutes, documentation standards, and audit rights
- Keep records of checks and communications — if it’s not documented, it doesn’t count

SECTION 3

How AC Solutions can support you

A reminder of the services we offer — and how they map to the challenges in this issue.

01

International recruitment

Understanding your requirements, assisting your sponsored workers and providing support and training

02

Business health checks

Turn your underperforming service into an excellent investment with our business health checks.

03

Workforce strategy

Leadership coaching, training and mentoring and much more.

NEED A HAND THIS MONTH?

Book a free 30-minute discovery call with one of our advisors. We'll review your current pressures and give you a focused, no-obligation plan.

SPOTLIGHT

Certificate of Sponsorship Delays & Visa Woes

Each month we go deeper on one topic — a regulatory change, a recruitment trend, a client case study, or a leadership idea worth your time.

When Home Office Delays Leave You in Limbo

Many care providers are facing headaches as Home Office backlogs hold up Certificate of Sponsorship (CoS) allocations — leaving valued migrant staff on expired visas. Here's what both sides should do to stay compliant and calm.

For Migrant Workers

- **Don't panic, check your application status.** If you've already applied for a new visa *before expiry*, your right to work *continues under Section 3C leave* until a decision is made.
- **Keep your evidence handy.** Provide proof of your submitted application (screenshot or receipt) to your employer immediately.
- **Avoid working if your visa truly expired and no application was made** — that could breach immigration law and your future UK status.

For Care Providers (Sponsors)

- **Check your CoS allocation first.** If you've run out, urgently request an *increase* via the Sponsorship Management System (SMS) — delays are common but documented requests show due diligence.
- **Maintain Right to Work compliance.** Accept *valid evidence* of an in-time application as temporary proof under Home Office guidance — record the check date, reference number, and expiry.
- **Report and record responsibly.** Keep detailed notes of communications with the Home Office and your worker's application progress to show compliance if audited.
- **Communication is key.** Keep staff informed — transparent updates prevent panic and protect your reputation.

TAKEAWAY

CoS delays aren't your fault — but record, report, and reassure. Paper trails are your best protection.

UNTIL NEXT MONTH

Thank you for reading. If this newsletter was useful, please **forward it to a colleague** who'd benefit. We grow through your trust and your introductions.

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