acs Staffing Solutions
SMART SOURCING

WORKFORCE PLANNING · BRIEFING

Rethinking your temp model before 2027

Temporary labour keeps operations running through peaks. But the rules around it are changing, and the businesses that plan their temp and permanent mix now will have fewer surprises next year.

WHAT IS CHANGING

Three shifts in the rules on flexible labour

6 APRIL 2026 · IN FORCE

Agencies are jointly liable for PAYE and National Insurance an umbrella company fails to pay. Where there is no UK agency in the chain, the end client is liable.

1 JANUARY 2027

Six-month unfair dismissal rule takes effect, raising the stakes on every permanent hire and on temp-to-perm conversions.

2027 · DATE TO BE CONFIRMED

Guaranteed hours, notice of shifts and pay for cancelled shifts for zero and low-hours workers, expected to extend to agency workers.

The guaranteed-hours consultation closed on 25 August 2026 and the Government's response is still awaited. Logistics UK and the REC have both asked for agency workers to be left out, or for a later start. Nothing about the 2027 detail is final yet, but the direction is clear: flexible labour is likely to carry more obligations, not fewer.

A restriction on replacing employees with agency workers is also expected in 2027, again without a firm date.

> **WHAT THE UMBRELLA CHANGE MEANS**
>
> If any of your temporary workers are paid through an umbrella company and it fails to pay the tax due, HMRC can now look to the agency. If you engage workers without a UK agency in the chain, it can look to you, with no defence for having taken reasonable care. Knowing exactly how your temps are paid is now a compliance question, not just an admin one.

THE RIGHT MIX

Temporary labour still has a clear place

This isn't an argument against temps. ACS supplies temporary workforces every week, and Logistics UK describes temporary labour as critical for peaks. It is an argument for using each kind of labour for what it does best.

Type of need	Best fit	Why
Core, year-round roles	Planned permanent hiring	Long-term temps in core roles carry the most exposure to the 2027 changes, and cost more over time than a well-chosen permanent hire.
Seasonal and peak volume	Temporary labour, from a compliant supplier	Flexing for peaks is what temporary labour is for. Plan conversion decisions for anyone you want to keep.
Supervisors, technicians, drivers	Targeted permanent search	These are the roles in shortest supply. Continuity and capability matter more than flexibility.
Short-notice cover	Temporary labour	Absence and unexpected volume. Watch how it interacts with new rules on cancelled shifts once they are confirmed.

QUESTIONS FOR YOUR LABOUR SUPPLIER

Five things to check this quarter

- [ ] **Is anyone in your supply chain paid through an umbrella company?** If so, which ones, and how are they checked?
- [ ] **Who carries the liability** if PAYE or National Insurance goes unpaid somewhere in the chain?
- [ ] **How long have your longest-serving temps been with you**, and are they really temporary?
- [ ] **How will your supplier handle** guaranteed-hours offers and short-notice cancellations once the rules are set?
- [ ] **Which temps would you hire permanently** tomorrow, and what is stopping you?

> GETTING CONVERSIONS RIGHT
>
> A temp who has worked well for months can feel like a safe bet. Treat the move to a permanent contract as a hire in its own right: take up references, set a probation period with review dates, and record the reviews. From January, that record matters within six months.

A PRACTICAL PLAN

Four steps to a more resilient workforce mix

1

Map who you have

List every role filled by temporary labour, how long it has been filled that way and why.

2

Separate core from flex

Decide which roles are genuinely seasonal and which are permanent needs you have been filling temporarily.

3

Plan the conversions

Pick the people you want to keep and convert them deliberately, with proper screening and a structured probation.

4

Recruit the gaps properly

For core roles you can't fill from your temp pool, run a planned permanent search rather than another stopgap.

HOW SMART SOURCING HELPS

Planned permanent hiring, on a fixed subscription

Smart Sourcing gives you an embedded sourcing team for your permanent roles, with no placement fees. It sits alongside ACS's temporary labour service, so you can flex for peaks and build a stable core team with one partner who understands both.

Want a second opinion on your temp and perm mix?

A 15-minute call to look at where temporary labour is working for you, where it isn't, and what 2027 is likely to mean.

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Book a 15-minute call

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Sources. Edwin Coe, Umbrella companies after April 2026 · Pinsent Masons, Employment Rights Act timeline 2026 and beyond (1 Sept 2026) · Logistics UK, consultation response on ending one-sided flexibility (August 2026) · REC, response to guaranteed hours consultation (2026) · Logistics UK, Skills and Employment Report (2026)