

Supervision, Direction and Control (SDC) Guidance Notes

What is Supervision, Direction or Control?

There are a number of legal cases which consider what this means in an employment context. Although the test being applied only needs one of these 3 criteria to be met, in practical terms, the cases have tended to identify the 3 criteria together.

Further information and examples of the SDC test are found in HMRCs own definition document, which can be found using the following links/web addresses.

- [HMRC Employment Status Manual](#)
- [HMRC SDC Definitions](#)

A relationship where there is an absence of SDC would tend to be one where the individual brings their own skill and expertise into the relationship, is able to say and apply the method of carrying out the particular assignment relying on their skills and experience and would not be expected to be told how to carry out the assignment. The individual carrying out the assignment would have a considerable amount of independence which would not normally be associated with an employment contract.

The purpose of the various questions in the SDC test you are asked to complete is to help in assessing whether or not you are subject to the SDC of the End Client.

It is unlikely that an answer to any one question will in itself determine whether SDC applies to a particular assignment. It is necessary to test and consider the responses to a number of questions in order to help determine whether you are subject to SDC

References to:-

End Client means the organisation for whom you are carrying out the work.

Assignment – means the services overall that you are contracted to carry out.

Tasks – means individual tasks within an assignment.

Contractor – means you.

It is important to keep this test under review for each assignment and throughout each assignment.

Important Points

Supervision is someone overseeing a person doing work, to ensure that person is doing the work they are required to do and it is being done correctly to the required standard. Supervision can also involve helping the person where appropriate in order to develop their skills and knowledge.

- It **does not** constitute Supervision if a contractor is required to report progress to the end client on important project directives.
- It **does not** constitute Supervision if work carried out by the contractor is subject to a final review by the end client.
- It **does** constitute Supervision if the contractor is subject to regular (i.e. daily) reviews of the work carried out.

Direction is someone making a person do his/her work in a certain way by providing them with instructions, guidance or advice as to how the work must be done. Someone providing direction will often coordinate the how the work is done, as it is being undertaken.

- It **does not** constitute Direction if the end client does not dictate (i.e task by task) how the contractor carries out their work.
- It **does** constitute Direction if the end client provides detailed instructions on how the contractor must do their work.

Control is someone dictating what work a person does and how they go about doing that work. Control also includes someone having the power to move the person from one job to another.

- It **does not** constitute Control if a contractor has the ability to determine how and in what order the work is carried out.
- It **does** constitute Control if the client has the ability to move the contractor from activity to activity as and when they see fit.

Section A

Section A aims to gather key information about your role and assignment. The contents of which are expected to be relatively self-explanatory however should you have any questions or concerns please do not hesitate to contact a member of the Champion Contractors team on **0161 703 2549** or email **sdcc@championcontractors.co.uk**

Section B

Question 1

Please consider the specialised nature of the assignment that you have been asked to undertake. Is this an assignment that requires specialist skills that you possess? This may indicate the extent to which you will influence the work and work methods.

Question 2

This question asks about the extent to which you are directed when carrying out the assignment. Again, it tests the extent of independence that you have in the work that you are undertaking.

Statement A may apply where you are provided with a particular assignment and then you produce a piece of work, without any further direction from the end client. For example a website developer may be told:-

- That the End Client would like a new website
- Certain requirements for the website but then be left to spend time designing and populating the website.

Statement B may be appropriate where there is some further direction from the End Client. Using the website example above, where the website developer then goes to the End Client's head of communications with each section of the website so that it can be considered from a content point of view and so that effective IT instruction can be given about required formatting and so on.

Statement C may be appropriate where you are assigned to assist the End Client with a number of IT tasks and you are directed in respect of each specific task on a day to day basis.

Question 3

This question tests whether you are bound by operational and other procedures that are standard within the end client's organisation. In the event that you are, it may indicate a significant degree of direction in the way that you carry out your services.

Question 4

Are you left to carry out the assignment in the way you deem to be appropriate?

Many tasks, even those requiring considerable expertise, will have a method to them in order to be successful. Are you left to carry out the assignment without being told how to do it or does the End Client direct you how to complete it?

Example:

For example an assignment requires the servicing of a piece of complex industrial machinery. Are you presented with a service plan and method or are you left to your own skills about how to service the machinery?

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Question 5

This question asks about the extent to which you are controlled when carrying out the assignment. It tests the extent of independence that you have in the work that you are **undertaking**.

Question 6

The Assignment location in itself may not in itself be important to SDC tests but who determines the location is potentially significant.

Examples

1. *Servicing a large piece of machinery such as aircraft. The location in which the work is carried out will be determined by the location of the machinery. The issue would be neutral to SDC. (Statement A)*
2. *Undertaking design work for the End Client. The contractor could carry these out remotely but the client insists that the work is carried out on site and remains on site at the end of each day. This clearly indicates an element of SDC (Statement D).*

Question 7

Due to the nature of this question specific guidance has not been provided however should there be any questions or concerns please contact the Champion Contractors team on **0161 703 2549** or **sdc@championcontractors.co.uk**.

Question 8-9

Receiving a regular payment from the End Client regardless of work completed and/or Holiday pay from the End Client is akin to a salary and this suggests a relationship akin to one of employment therefore suggesting SDC.

Question 10

This question is an indicator of the extent to which you have control over your time and expertise or whether, you may be directed to other tasks not immediately relevant to the assignment you have been asked to fulfil.

This tests the bargaining position between you and the End Client. Can the client control the work you carry out or are you in control of your time outside of the particular assignment?

Question 11

Answering "False" to this question would indicate that an employment relationship is likely and that SDC would apply.

Questions 12-14

Please see notes on page 2, this provides Specific guidance on each question.

Should there be any questions or concerns regarding the content or completion of the SDC test please contact the Champion Contractors team on **0161 703 2549** or **sdc@championcontractors.co.uk**.



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