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1 Purpose

The purpose of this Procedure is to provide a process to support staff in getting paid the correct value of money for services rendered and ensure that they are paid on time. It also clearly defines the expectations and responsibilities of contractors when working on behalf of Richardson Rail Services Ltd.

The process will also help to ensure the correct bookkeeping for Richardson Rail Services Ltd and help us maintain our legal and moral obligations. This process applies to all sectors and contracts and must be used accordingly. The responsibilities detailed within this process must be implemented as a minimum standard throughout the business.

2 Definitions

- **Timesheet**- A document to confirm actual hours worked on site.
- **Client**- The person, Company, or Sponsor (Primary or Sub) requesting services from Richardson Rail Services Ltd.
- **Contractors**- Person(s) working on behalf of Richardson Rail Services Ltd. (Note, although sometimes referred to as staff, persons/contractors are not considered to be staff nor directly employed)
- **Job** – The role the staff member has been requested to complete, can include the provision of equipment, completion of a job role, or other.
- **Training Staff** – A member of staff working as an assured trainer OR assured assessor.
- **Line Manager** – The member of staff who has requested the job and sent the job information to the staff member delivering the services.
- **Payroll** – The list of payments required.
- **Invoice** – A document that lists the correct information and price for services rendered.
- **Accounts department** – The team in Richardson Rail Services Ltd. That process invoices and other requirements prior to scheduling payments to the payroll.
- **Payroll Deadline** – All timesheets, Invoices and other requirements must be submitted prior to 16:00hrs on a Friday to be paid the following Friday.
- **CIS** – Construction Industry Scheme, A tax that applies to certain activities on the railway.
- **UTR** – Unique Tax Reference.
- **VAT** – Value Added Tax; A Tax added to all qualifying sales.



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3 Scope

3.1 Contractors undertaking Safety Critical, Electrical or Engineering Jobs:

This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include Safety Critical, Engineering or Electrical works, such as COSS, ES, Level A, Level B, DIST Level A, DIST Level C, Track Engineer etc. (non-exhaustive list).

3.2 Contractors undertaking Labour works:

This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include labour works, such as Groundworker, Trackman, PTS Labour etc. (non-exhaustive list).

3.3 Contractors undertaking Specialist works:

This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include De-Veg, Consulting, Safety inspections, Steel Works, Bridge inspections etc. (non-exhaustive list).

3.4 Contractors undertaking Training works:

This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include Training, Assessing etc. (non-exhaustive list).

3.5 Exclusions:

This procedure does not apply to anyone working for Richardson Rail Services Ltd. As a PAYE staff member.

4 Roles & Responsibilities

4.1 Managing Director:

Managing Director shall:

- Ensure that all Line Managers understand this procedure;
- Ensure that this procedure is maintained with up-to-date practices; and
- Ensure any changes made to this procedure are done in accordance with internal processes.

4.2 Line management:

Line Management shall:

- Ensure that this process is adopted locally in all their areas of control.
- Ensure that this process is cascaded to contractors and that it is complied with.



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- Ensure that this process is sent to or received by all contracts, new or old.
- The line manager is responsible for ensuring that staff members get the required resources to undertake the procedures set out in this document.
- Ensure that all work requests are inputted onto the relevant trackers as required.

4.3 Accounts:

Accounts shall:

- Ensure that this process has been followed prior to adding any invoices to the payroll.
- Ensure that this process is followed in terms of compliance with our legal obligations of data collection for tax / HMRC purposes.
- Ensure that as far as reasonably possible and practicable, we as a company help combat potential money laundering.

4.4 Contractors:

Contractors shall:

- Ensure that this process is followed fully when working on behalf of Richardson Rail Services Ltd.
- Ensure that they have all the requirements in place prior to sending in an invoice.
- Ensure that they have read, understood, and agreed to this process prior to attending the site or completing any jobs for Richardson Rail Services Ltd.

5 HMRC Compliance

5.1 HMRC Compliance Explanation:

As part of our legal obligations to HMRC, we must pay all the required taxes and try our best to combat tax evasion from contractors who work on behalf of Richardson Rail Services Ltd.

As such, we must keep a database of all contractors that work for us; contractors can be Public Limited Companies (PLC) or Private Company Limited by Guarantee. Private Company Limited by Shares. Private Unlimited Company. Types of Limited Company. Sole Traders or Individuals. (Non-Exhaustive).

5.2 Mandatory Information We Must Collect:

We need the following information: Company name (Or individuals name), registration number, contact person, email, phone number, address, insurance documents, VAT certificate, CIS status, and UTR number. (Where Applicable).



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6 Requirements for Non-Training Contractors (Workers) payments

6.1 Requirements Before Attending Site:

Any contractor must ensure before attending site that they are aware of the timesheet requirements and must have the relevant timesheet to take with them if it is required to be done at site.

They must be aware and have the payment hours and rate for the shift(s) they are booked on agreed upon in writing. They must also be sure of where, when and what they are doing and must have all the details to complete the job effectively.

If there is any uncertainty, the staff member is responsible for seeking clarification before attending work.

6.2 Requirements at Site:

Any contractor working on behalf of Richardson Rail Services Ltd. must always behave professionally while on site, adhering to all standards, rules, and regulations. They must also comply with all expectations from us and the client and complete their planned job role and/or the booked hours.

They must sign in at any SACs that might be available at the site and undertake any required inductions.

They must be swiped in on the sentinel system by the COSS (When on or near the line) or as a minimum swipe themselves in when they arrive at site, confirming they still have the required competence and have all in date medicals and D&A. Contractors are responsible for ensuring their Sentinel competencies, D&A test certification, and medicals remain valid and in date. Line Managers may request evidence of this prior to the job. Expired certifications may result in non-payment

By agreeing to undertake the work, the contractor accepts responsibility for completing it to an acceptable standard. If there is any uncertainty regarding expectations, this must be clarified before attending site.

If there are any changes to the planned working hours, specifically these increasing, this must be notified at the time of this being identified and agreed with the Richardson Rail staff who booked the contractor for work ahead of doing them.

6.3 Requirements Following the Job:

Upon completion of the work, and only at that time, the member of staff must ask the on-site manager/supervisor of their work to sign their timesheet (If applicable).



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The contractor must ensure the timesheet is legible prior to getting it signed. (If applicable).

If you are undertaking work multiple days at the same location, with the same client and same supervisors, multiple days can be on the same timesheet. (If applicable).

Other means of actual hours worked can be used, such as emails from the client's site manager, if there is no client manager/supervisor on site. (If applicable).

If timesheets are not required to be completed by the worker on site, they will instead be sent by Richardson Rail to the client for approval or rejection. This will need to be signed or confirmed by the client ahead of payment being authorised.

There must be a fully completed induction pack and update annual checks / forms of the contractor and the mandatory details we must keep for HMRC must be up to date. If this is the case then a payslip will be emailed to the contractor, this will be done on a weekly basis or two weekly bases as a maximum. If this payslip is wrong, the contractor must challenge this within two days from the date of sending otherwise it will be assumed confirmed as correct, and all future contestants from the contractor will be disregarded.

Payments will then be made in line with the self-billing agreement and details further ahead in this procedure.

7 Requirements for Training & Assessing Contractors to Submit an Invoice

7.1 Requirements Before Attending Site:

Any contractor must ensure before attending the site that they have agreed on any additional fees with the admin team in writing so that they are captured on the booking form.

7.2 Requirements at Site:

Any contractor working on behalf of Richardson Rail Services Ltd. must always behave professionally while on site, adhering to all standards, rules, and regulations. They must also comply with our and client expectations and complete their planned job role and/or the booked hours. They must sign in at any SACs available at the site and undertake any required inductions.

7.3 Requirements Following the Job:

Upon completion of the work, and only at that time, the member of staff must ensure to log the result(s) of the event on the sentinel system, our booking system, save all evidence and paperwork and ensure that all our requirements as per our quality assurance manuals are completed



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There must be a fully completed induction pack of the contractor within the last twelve months of the date of the job.

The mandatory details we must keep for HMRC must be up to date.

8 Requirements of timesheets (When applicable)

Timesheets must be clear. They must be legible.

They must also have, as a minimum, the location of the job and the client's name.

They must have the contractor name, sentinel number, job role, hours, breaks, week-ending date, and date(s) of work.

They must be signed by the contractor with a printed name also present.

They must be signed, printed and dated by a supervisor or higher-level site contact from the client. It is preferable to add on if known, the PO number and/or Contract number as well as any other useful notes.

9 Payment of VAT

If an invoice is charging VAT this will not be paid until the payee's company documents/information has been checked and confirmed.

Company registration certificate or number, VAT registration certificate & Number, ideally insurance documents and the VAT registration certificate has been confirmed as correct.

We reserve the right to refuse invoice payment in full if we do not believe the requirements are in place to add the company to our approved supplier list.

10 Payment of CIS

Following HMRC Audits, advice and guidance from our accountant and subject experts, it has been confirmed that the work we do on the rail infrastructure does not fall under CIS and as such Richardson Rail Services Ltd when acting as the payment company will not complete, nor have a need to complete Cis deductions.



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11 Invoice Requirements (For Training & Assessing Workers only) & Payroll Details

All invoices received before 16:00hrs on a Friday will be processed and paid no later than the Friday of the subsequent week, provided they are submitted correctly in line with the details outlined in this section and accompanied by a valid completed & signed timesheet. The work details must also be fully submitted on our internal trackers that the accounts department uses to check off invoices.

Invoices must be sent directly to the accounts department. Any invoice not sent directly to the accounting department will not be paid. – **accounts@richardsonrail.co.uk**.

Invoices must be submitted as PDF attachments or Word documents only. Payment links, embedded email text, image files, or scanned documents will not be accepted.

Please ensure your invoice includes the following information: Full name, full address, date of invoice, due date (must be in line with our terms as a minimum), week number of work, date(s) of work, location of work, hours worked, and job role.

If you are a sole trader or director of your limited company, you must also include your National Insurance (NI) number if it is not already on our system.

Your invoice must be addressed to Richardson Rail Services Ltd., 16 Lower Station Road, Billingshurst, RH149SX, UK.

Ensure that your payment details are displayed on the invoice, and your name/company name must match that of the bank account you are requesting payment to; ensure the invoice includes the account name, bank name, bank address, sort code, and account number.

12 Self Billing and Payroll Details

To Ensure you are paid in a timely manner please ensure you have completed a self-billing agreement with us (Richardson Rail Services Ltd) at the point of induction. Without this we can not process your payment.

Payments will be via an umbrella company or direct from us as the payment company. In both cases we will create the invoices and payment information and process it on your behalf.

Following the issues of a Payslip, if there are no issues raised from contractor or client and all requirements are in place as per this document then payment will be made the first week (7 days) after the date of issue. Unless there are internal issues, then this might move to a maximum of 14 days.



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There is a copy of the required Self Billing form at the back of this document.

13 Non-Payments & Overpayments

13.1 First Instance – For Training & Assessing Contractors:

In the First instance of not receiving payment, please email the accounts department. Work with the accounts department to try to resolve any issues with the invoice.

13.2 Escalation – Training Contractors:

If required, and if no agreement can be settled. Please raise the issue with the managing director via email.

13.3 First Instance – Non-Training Contractors:

In the first instance of not receiving payment, please speak with the staff member who booked you for the job to identify the issue. Typically, the accounts team will email the relevant line manager or the contractor what they are missing to authorise the invoice to payroll. If it is spreadsheet - or timesheet-related, the only person who can assist is the line manager.

Do not ring the account department chasing for payment, as they cannot authorise payments that do not meet all the requirements in this process.

13.4 Escalation – Non-Training Contractors:

Only after a minimum of one week spent attempting resolution with the relevant line manager can escalation be considered; if there are still issues, please forward the email trail to the managing director, explaining in as much detail as possible what the issue is.

13.5 Reserving Right:

We reserve the right to withhold payment of any invoice if we feel there has been any breach of any process, policy, or rules we expect the contractor to work to.

We reserve the right to withhold payment of any invoice if we feel that the conduct on-site was not to our expectations.

We reserve the right to withhold payment of any invoice if the worker or limited company the worker is working for has not sent us, and agreed ahead of the work, definitive terms and conditions.

We reserve the right to reclaim overpayments from a contractor up to two years past the date of payment.



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13.6 Dispute Resolution

In the event a contractor disputes a non-payment decision that remains unresolved after communication with the line manager or Managing Director, the contractor may submit a formal written request for review to the HR department. This request must include all relevant documentation and communication history. A final review will be conducted within 10 working days. The findings of this review will be considered final unless otherwise agreed.

14 Cancellation Terms Richardson Rail to Contractors

Richardson Rail Services Ltd will not pay any shift cancellations that are notified to the contractor over or at 12 hours ahead of the start of the shift.

15 Data Protection and Privacy

Richardson Rail Services Ltd. collects and processes personal and business data from contractors in accordance with the UK General Data Protection Regulation (UK GDPR). All personal data including contact details, UTR, NI numbers, and bank information will be securely stored, accessed only by authorised personnel, and used solely for payment processing, compliance, and audit purposes. Contractors may request access to or correction of their data at any time in writing.



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Appendix A - Self-Billing Agreement Template

This Self-Billing Agreement is made between:

Customer:

Richardson Rail Services Ltd

Company Registration No: **6095700**

Registered Office: **16 Lower Station Road, Billingshurst, RH14 9SX**

VAT Number: **GB 900946631**

(Hereinafter referred to as "the Customer")

and

Supplier:

Name: _____

Company Name (if applicable): _____

Registered Address: _____

VAT Number (if applicable): _____

(Hereinafter referred to as "the Supplier")

1. Purpose

This agreement sets out the terms under which Richardson Rail Services Ltd will raise invoices on behalf of the Supplier for services rendered, in accordance with UK VAT legislation and Richardson Rail's internal payment procedure (QP-HR-027-25). The Supplier must not submit their own invoices during the agreement period.

2. Agreement Period

This agreement shall commence on the date signed below and remain valid for 12 months unless terminated in writing by either party with 30 days' notice. It may be renewed annually.

3. Supplier Responsibilities

The Supplier agrees:



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- Not to issue their own sales invoices for the duration of this agreement.
- To ensure all required documents are completed and submitted before undertaking work (including a valid induction pack, UTR, NI number, VAT registration where applicable, insurance, and signed T&Cs).
- To complete all work to the standards and times agreed, and to behave professionally while representing Richardson Rail.
- To ensure timesheets (where applicable) are clear, accurate, signed by the client, and submitted in line with deadlines.
- To notify Richardson Rail of any changes to their VAT registration, company name, or banking details.

4. Customer Responsibilities

Richardson Rail Services Ltd agrees:

- To generate accurate invoices based on approved timesheets and booking records.
- To retain all self-billed invoices and related documents for HMRC compliance.
- To pay the Supplier in line with Section 12 of QP-HR-027-25, usually within 7 days of the payslip issue, or up to 14 days in exceptional circumstances.
- To ensure all payments are made into the correct bank account as per the Supplier's written details.

5. Timesheet and Payroll Requirements

- Timesheets must include full name, Sentinel number, job role, work location, dates, hours worked, breaks, and client signature.
- All supporting documentation must be submitted before 16:00 on Friday for payment the following Friday.



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- Payments will be delayed or withheld if information is missing, unclear, or non-compliant with Richardson Rail's procedures.

6. VAT and Tax Compliance

- Self-billed invoices will include VAT if the Supplier is VAT-registered and has provided a valid VAT certificate.
- Richardson Rail confirms it is VAT-registered and will include VAT on self-billed invoices as appropriate.
- The Supplier agrees to inform Richardson Rail immediately of any change to their VAT status.
- Richardson Rail does not operate under the Construction Industry Scheme (CIS) and will not process CIS deductions.

7. Data Protection and Privacy

In accordance with the UK GDPR, Richardson Rail will collect and process the Supplier's personal data (including UTR, NI number, bank details, and contact information) solely for payment, compliance, and audit purposes. This data will be securely stored and only accessed by authorised personnel. By signing this agreement, the Supplier consents to this processing.

Do not proceed with this agreement if you do not agree to the collection and storage of your data.

8. Termination

Richardson Rail reserves the right to terminate this agreement immediately if there is evidence of non-compliance, misconduct, or fraud. Any overpayments will be reclaimed up to two years after payment.

9. Acceptance



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By signing below, both parties confirm they have read, understood, and agree to this self-billing arrangement.

Signed for and on behalf of Richardson Rail Services Ltd

Name: _____

Position: _____

Signature: _____

Date: _____

Signed by the Supplier

Name: _____

Position: _____

Signature: _____

Date: _____