

APSCo submits recommendations to the Government ahead of March Budget

Submitted by: BlueSky Public Relations Ltd

Tuesday, 19 January 2021

The Association of Professional Staffing Companies has submitted its recommendations to the Government ahead of the March Budget – with retaining access to business support schemes to boost the economy high up the agenda.

In a submission sent to the Treasury, the trade body for professional staffing companies outlined its top four priorities to support the recruitment sector in the coming months:

- Dynamic business support with a structured withdrawal: While the Covid-19 vaccine roll out is boosting business confidence to some degree, the financial support offered throughout the pandemic has provided a lifeline for many struggling companies. In order to provide security for firms and prevent employees, workers and the self-employed from facing a 'cliff edge', it's crucial that support isn't prematurely or suddenly withdrawn and is, instead, managed in a structured way.

- Statutory Sick Pay (SSP) rebate expansion: APSCo is also calling on an expansion of the scope of the SSP rebate to support employers with over 250 staff on their PAYE payrolls to provide much-needed stability for staffing companies with a sizeable number of agency workers on their payroll. If the rebate cannot be extended to all employers when a Covid-19 absence arises, APSCo has urged the Government to recognise recruitment businesses as requiring specific support on SSP payments.

- Fair access to finance and grants: With some staffing firms facing difficulties accessing Government-backed finance through the Coronavirus Business Interruption Loan (CBILS) and Bounce Back Loan schemes, APSCo has asked the Government to continue to monitor payments to ensure that the schemes are delivered by commercial lenders in the spirit that they were intended. The trade body has also highlighted the need for flexibility regarding repayment terms in order to provide the best possible environment to restart businesses post-Covid.

- Supply teacher public sector supplier relief: Prior Government guidance to ensure supply teachers were paid even when services are reduced or paused as a result of the pandemic has now expired. As a result, recruitment businesses are facing paying NICS and pensions contributions for furloughed teaching staff, which is putting immense financial strain on already struggling firms. APSCo has highlighted that in order to preserve the supply chain and support supply teachers, the Government must either mandate that schools and academy trusts pay their suppliers, modify the CJRS to meet the NIC/pension costs of teaching staff on furlough, or by ensuring a dedicated fund is available for recruitment and staffing agencies whose primary customer is the public sector.

Tania Bowers, Legal Counsel and Head of Public Policy at APSCo, commented:

"While it's encouraging to hear reports that the Chancellor's Budget is set to be focused on jobs, a successful hiring boost on the scale needed in the UK will only be achievable if we have a strong recruitment sector ready and able to work. However, a prosperous recruitment sector is dependent on a dynamic labour market, and the economic disruption caused by Covid-19 has been felt in every corner of the industry. While some sectors have been able to weather the storm with a minimum amount of disruption,

many others (particularly education) have been significantly impacted and require greater assistance. The industry is also facing the challenge of implementing the highly contentious and delayed Off Payroll tax changes in April, affecting highly skilled incorporated contractors and their clients, the bedrock of the skilled flexible labour market."

"Although this Budget will naturally be dominated by the continuing implications of the Coronavirus pandemic, what is required by Government is dynamic business support through, and well beyond, this latest period of lockdown that factors in the tailored way different sectors operate. Only with the appropriate measures in place to support the unique needs of staffing companies will they be able to restart to the best possible degree once the vaccination programme allows the widespread reopening of the economy."

ENDS

Press Contact
Vickie Collinge
vickie@bluesky-pr.com
01582 790705