

Latest labour statistics: recruitment trade body calls for new approach to skills shortage

Submitted by: BlueSky Public Relations Ltd

Tuesday, 15 February 2022

Responding to the latest labour market data from the Office for National Statistics (ONS), Tania Bowers, Global Public Policy Director at the Association of Professional Staffing Companies (APSCo) commented:

“This latest data which shows record vacancy levels is in line with APSCo’s latest Recruitment Trends Snapshot which also revealed that jobs in January were up 28%. While it’s encouraging to know that the hiring market remains buoyant, the continued monthly increase in vacancies raises further concerns of skills shortages across the country. And while the Government’s Levelling Up White Paper revealed a commitment to upskilling the UK’s workforce, there are some limitations that need more thought if vacancies continue on the upward trajectory we’re seeing.

“One concern we have with the outlined plans in the white paper is the reference to the Apprenticeship scheme where the Government refuses to deviate from the fundamental structure which was devised years ago for a different labour market. If the Government is to create a labour market that is dynamic and flexible to address the sector wide skills shortages, the Apprenticeship Levy should be broadened to cover administrative costs and ‘bench’ salaries to facilitate a commercial, realistic “flexi” scheme in which recruitment firms can fund “flexi-job” apprenticeships enabling the professional development of agency workers from placement to placement. However, the scope for apprenticeships must also be widened to enable independent professionals and other members of the self-employed workforce to fund their skills training by transfer of levy funds.

“These are all points APSCo has raised in its Access to Skills and Talent Public Policy plan, and if the Government is to equip the UK labour market with the skills, experience, and expertise employers need, flexible training initiatives must be designed to maximise access across the workforce from school leavers to mid-life “lane changers”. And while the intention to devolve skills locally as laid out in the White Paper is certainly welcome, it will require well-funded local implementation plans. Regional hubs need localised government funding to support tech start-ups, T-Levels and SME access to tech-based apprentices. This will enable the creation of centres of excellence across specific sectors and regions, combating home grown digital and tech skills shortages.

“We also can’t forget that the UK remains a relatively unattractive place for highly skilled independent contractors who still have no viable and attractive visa route into the country. With vacancies showing no sign of slowing down, and employers struggling to source talent across all sectors, action must be taken to not only allow the development of home-grown talent, but also access to highly skilled individuals from outside the UK.”

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Press contact:

Sadie McGrath

sadie@bluesky-pr.com

01582 790 700