

New Prime Minister: Truss needs to reform more than IR35 to bolster the UK's economy

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Following the announcement that Liz Truss has won the Conservative leadership race, the Association of Professional Staffing Companies (APSCo) has highlighted the key priorities that need to be top of the new Prime Minister's agenda.

According to the trade association for the professional recruitment market, there are three crucial policy areas that Truss needs to focus on to support the UK's economy to balance the impact of the pandemic, Brexit and the roll out of Off-Payroll:

Introduce the Employment Bill: Alongside Truss's plans to review off-payroll legislation, the introduction of the Employment Bill is urgently needed to help bring regulation of the recruitment market and umbrella companies in line with 21st century needs. This includes greater support for self-employed and independent contractors as well as clear definitions of the flexible workforce to prevent disguised remuneration.

Create a truly Global Britain: As the Government negotiates global trade deals, APSCo has recommended that these discussions focus on skills, the workforce and the mutual recognition of services and professional qualifications as well as tariffs and goods. The simplification of the process by which self-employed contractors obtain visas is also needed in a skill short economy.

Tackle Skills Shortages: APSCo's research shows vacancy levels across all sectors are currently exceeding 2019 levels, suggesting jobs are remaining unfilled. Flexible and pragmatic training courses that are accessible to people across the entire workforce and a reform of the Apprenticeship Levy are a few of the steps APSCo has identified as necessary. The trade association has also called for the development of a national strategy, recognising urban hubs and regions with existing strengths in particular skills and industries.

Tania Bowers, Global Public Policy Director at APSCo commented:

"The country has experienced change on a huge scale in the last few years as a combination of Brexit, IR35 and the pandemic changed the world of work as we knew it, with the impact of continued global economic uncertainty and rising inflation adding to this difficult climate. The Tory leadership challenge only exacerbated these issues and we hope that today's announcement will provide some much-needed stability.

"With the new Prime Minister now in place, we believe it is crucial that the employment and skills agenda is moved back up the list of priorities. The UK economy is facing a wealth of struggles from the cost-of-living crisis to concerning skills shortages and staff strikes across a range of sectors. A huge number of these challenges can be alleviated to some extent by a stronger and more dynamic labour market – an ideal that APSCo and its members are well-placed to help achieve.

“We welcomed the reports that Ms Truss intends to review IR35 legislation – a move which we feel is needed in light of challenges to the temporary recruitment market – but this needs to be supplemented with more definitive actions to create a future-fit dynamic labour market.

“At APSCo Global we want to work with policymakers to ensure we have a truly sustainable, global and flexible workforce fit for the future. We are calling on the Government to introduce an Employment Bill which will better reflect modern day working post-pandemic than current legislation, more suitable high-skilled visas that can allow the UK labour market to remain agile and alive to specific sector labour shortages. Flexible and pragmatic training initiatives designed to maximise businesses' access to talent across the workforce is also essential. In acting on these policy items, the UK will continue to be a world leader in new and existing markets.”

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