

Trade association warns of a need to rethink the skills agenda in Budget asks

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The Association of Professional Staffing Companies (APSCo) – the trade body for the professional recruitment sector – has outlined the actions that are needed to bolster the strength of the UK's labour market in its Budget submission ahead of March's announcement.

According to APSCo, the continued skills shortages being felt by firms across the UK, despite a fall in vacancies at the beginning of the year, are driving a need for more investment in skills and the flexible labour market. In its submission to the Treasury, the trade body highlighted four crucial areas that need to be addressed in the Chancellor's Spring Budget:

- Apprenticeship and training reforms: The current scope of the use of Apprenticeship Levy funds is too narrow and isn't fit for purpose in a flexible employment landscape. A broader skills levy which accommodates modular training, access to training for independent professionals and the self-employed, and enabling the levy to be used by recruiters and outsourcers to fund flexi-apprenticeships for agency workers is needed. APSCo has also highlighted the need for funding to be invested in skills development across critical public sector roles such as teachers, doctors and nurses to alleviate the work burden on these resources.

- Investment hubs: While a national skills strategy is needed, this should recognise and drive investment in skills and training in urban hubs and regions with strengths in particular industries. This includes channelling investment into areas such as Newcastle and Sheffield to create new centres of excellence in technology and scientific skills.

- New visa routes: Skills gaps that cannot be plugged by the domestic labour market need an international solution. However, the Tier 5 and fast track visa schemes are too narrow in focus. Funding needs to be increased for the Home Office to both support existing systems and drive new visa routes which are more viable for highly skilled, self-employed project workers.

- Umbrella regulation: Whilst only a minority, some umbrella companies continue to abuse the tax system and workers' rights. Close collaboration with the recruitment sector, and with compliant umbrella companies, to bring in regulation of umbrella companies which helps to protect workers and ensure they receive the benefits and pay that they are due and pay the correct amount of tax is required.

Tania Bowers, Global Public Policy Director of APSCo comments:

"The UK's labour market has faced a lot of upheaval in the last few years as Brexit, Off Payroll reforms and the Covid-19 pandemic all altered the world of work. However, the consistent issue that has faced businesses has been a lack of access to the skills and resources required. For our economy to grow we must ensure that the labour market is dynamic, flexible, and innovative to attract the right talent, both domestically and internationally. Support needs to be put in place to allow existing talent and workers to upskill and re-skill where they, or their employers, need or want to. A dynamic, modern, and flexible labour market with enough skilled workers to help the country grow is key to a prosperous

economy. Without this, the UK's ability to bounce back out of any economic uncertainty will be hindered."

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About APSCo

The Association of Professional Staffing Companies (APSCo) is the trade association for the professional recruitment market. APSCo Global comprises APSCo Asia, APSCo Australia, APSCo Deutschland and APSCo United Kingdom as well as APSCo OutSource, the trade body for the RPO and MSP sectors.

Find out more: www.apsco.org