

# Employment trade association responds to Budget: Positive steps, but more is needed

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Responding to the Chancellor's Budget, the Association of Professional Staffing Companies (APSCo) has welcomed the attempts to 'break down barriers' to get people back into work, but has warned that more is needed in the short term.

Tania Bowers, Global Public Policy Director for APSCo comments:

"The recognition that the UK's labour market is in a significantly challenging position is promising from our side as we have been warning for some time now that the highly skilled professional landscape is being overly-stretched. The Chancellor's plans to reduce economic inactivity, encourage the over 50's back into work, support those with a disability into employment and deliver better childcare provisions will help increase the number of people in work, but won't provide the skills that are needed immediately. The barriers to upskilling the workforce are multi-faceted and, unfortunately, not all have been addressed in Jeremy Hunt's statement."

Childcare support: encouraging parents back into work:

"The additional childcare support that will be on offer certainly dominated much of the news around the Budget and we welcome the steps to provide more financial support for parents of young children. The costs of childcare for one and two year olds have prevented a significant proportion of the population from returning to work either fully or on a temporary basis. However, it is important to highlight that the childcare sector itself is already overstretched. The Chancellor's planned incentive scheme to encourage more people into the profession is a step in the right direction, but more is arguably needed to retain these resources as well."

Investment Zones

"The confirmation that Jeremy Hunt will create investment zones outside of London is a move we welcome and is something APSCo called for in its original recommendations to the Government. We have long advocated that any national skills strategy should be underpinned by investment in skills and training in

urban hubs and regions with strengths in particular industries. The planned investment into sectors which continue to struggle with skills shortages including AI, nuclear and life sciences is all welcome news, however a more immediate strategy to provide the skills needed to deliver the growth the Chancellor is hoping for is required. We expect hiring to be hit in the short term by the impending increase in corporation tax which will only put greater pressures on the domestic labour market.”

#### Pensions cap lifted

“While the lifting of the pensions cap may only benefit a small group of the population, it will have a positive impact in the healthcare sector which is suffering with significant resourcing issues. The Chancellor’s plans have been designed to encourage those who have left the medical profession early – or who plan to do so – to stay in employment longer. This will, in our view, deliver a greater impact on reducing the economic inactivity rates across the country by also helping improve NHS waiting times which are also preventing those on waiting lists from returning to work.”

#### Skills development to improve economic inactivity

“We welcome the focus on the ‘returnships’ and expansion of the skills bootcamps to both support the upskilling of the over 50s and increase the scope of skills, however the Chancellor’s Budget doesn’t fully hit the mark on the potential skills development that could be achieved. APSCo stands by its calls for a reform of Apprenticeships and training opportunities. 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 to fund flexi-apprenticeships for agency workers is needed.

#### Migration

“The longer-term skills strategy for the UK also needs to be supported by a strong international labour market. Where resources cannot be found in the domestic market, the country’s employers need an attractive route of employment for global talent. The current Tier 5 and fast track visa schemes are too narrow in focus and 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.”

## Disability employment

“While we await the full details of the reforms to disability benefits, the Chancellor’s focus on removing barriers to employment is a sentiment we echo. It cannot be stressed enough, though, that planned support to get more disabled individuals into work needs to address issues including inflexible work practices, transportation challenges and the inflexibility in hiring processes that continues to impact this segment of the workforce.”

Ends

APSCo spokespeople are available for live and pre-recorded interviews. Please contact Vickie Collinge to request an interview.

## Press contact

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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](http://www.apsco.org)