

# Spending Review has to focus on appropriate employment reform budgets

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The Chancellor and the Treasury must re-prioritise funds to bolster employment and the recruitment market in the Spending Review. That's according to the Association of Professional Staffing Companies (APSCo).

In its submission to the Spending Review consultation, APSCo has called for funds to be channelled into several core areas in order to boost economic growth, including:

- Allocating resources to seriously reconsider its approach to the Employment Rights Bill and the applicability of the zero hours reforms to the highly skilled contingent professional labour market.
- Investing in resourcing the Home Office appropriately so that it is able to deliver critically needed Visa reforms.
- Ensuring funds are allocated into the Department for Business and Trade (DBT) to allow it to drive appropriate employment regulation. That includes reforming self-employment status, keeping Off-payroll under review and appropriately regulating umbrella companies.
- A focus on updating the Agency Worker Regulations 2010 (AWR) to exclude highly paid contractors earning multiples of the National Living Wage.
- Providing access to funds to allow the DBT to take action on reasonable payment terms, make the Prompt Payment Code mandatory for larger businesses and amend appropriate regulations to improve transparency and fairness in supply chain payments.
- Taking a sector-specific approach to employment reform funds. Areas with the greatest recruitment challenges and skills shortages – such as health and social care – should be allocated appropriate budgets to allow for critical reforms.

Tania Bowers, Global Public Policy Director at APSCo comments:

“The recruitment sector is a UK success story – delivering innovation and opportunity to the UK workforce – and will be critical to delivering sustained economic growth into the future. We share the Government’s mission-led focus on driving sustainable economic development within the constraints of the fiscal position of the Treasury. However, in order to underpin this growth, funds need to be

channelled into regulatory reforms within employment that strengthen the UK's skills.

“APSCo and its members urge the Government to consider a balanced package of spending and reform across the regulatory environment, the UK visa regime, and the NHS workforce designed to maximise the attractiveness of the UK to professional, highly skilled workers who can help deliver this Government’s priorities. There have already been several arguably controversial policy reforms outlined in the Employment Rights Bill that have hit employment hard. We urge the Government to seriously consider the longer-term impacts on hiring during the Spending Review stage.”

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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 South East Asia, APSCo Australia, APSCo Deutschland and APSCo United Kingdom as well as APSCo OutSource, the trade body for the RPO and MSP sectors.

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