

 **APSCo**  
United Kingdom

 **OutSource**  
An APSCo Global company

**Access to skills,  
training and talent**



# Overview

Sufficient access to highly skilled workers continues to be an ongoing issue for UK businesses right across the economy. We are currently witnessing major shortages of workers particularly in IT and digital, engineering and other professional skills. The NHS is also being severely impacted by workforce shortages with the latest NHS vacancy statistics finding that total number of vacancies in September 2022 was 133,446 – a vacancy rate of 9.7%.

APSCo believes that more could be done to help overcome these skills shortages by upskilling the existing workforce through greater, effective collaboration with business and industry on existing and new training programmes, as well as through the reform of the Apprenticeship Levy.

In order to attract highly skilled workers from abroad it is also essential that the visa system is fit for purpose, cost effective and timely.



## Challenges facing the UK's labour market

The changing nature of work in today's society, particularly working from home, means that demand for cyber security, cloud, data management and wider digital skills has surged. It is often the case, however, that these skills shortages are not distributed equally across the country.

According to APSCo's [research digest](#), talent shortages in the UK economy have reached a 16 year high, with 75% of employers stating that they are struggling to find staff across sectors such as banking and finance, [IT and tech](#), manufacturing and construction. However, the effect of these skills shortages varies significantly from sector to sector.

In the tech sector our research found jobs peaked at the start of 2022 but were subsequently down 35% by the end of the year. This corresponds with sector reports that the 'tech boom' has come to an end. In the healthcare sector we have seen recruitment stall due to many posts remaining unfilled for long periods of time. Whereas in construction and engineering, the number of vacancies continue to remain high, suggesting these highly skilled jobs continue to remain difficult to fill.



## Ensuring a high-skilled workforce fit for the future

Flexible, pragmatic, modular, training initiatives must be designed by Government in collaboration with industry to maximise access across the workforce from school leavers to mid-life “lane changers” if it is to equip the UK labour market with the skills, experience and expertise in demand by employers and business it needs now and in decades to come.

### Skills, Skills, Skills

We support Government initiatives to drive new partnerships with business and industry such as T levels, the Kickstart scheme, the Institutes of Technology, and the Skills Accelerator Programme, in addition to the apprenticeship scheme.

APSCo would like to see greater incentives and support for employers over the long term to improve participation by recognising the monetary and organisational commitment required by an employer to support a student.

A more holistic and nationwide approach is needed which includes developing a national strategy addressing how funding for skills programmes is distributed to different regions in the UK.

### APSCo recommends:

Developing a national strategy, recognising urban hubs and regions with existing strengths in particular skills and industries.

Investing in urban or regional hubs like Newcastle and Sheffield, where we see tech and niche scientific jobs posted. These hubs should see localised Government funding to support tech start-ups, T levels & SMEs accessing technology-based apprenticeships, to help create centres of excellence across specific sectors and regions to combat digital and technical skills shortages.



## Reform the Apprenticeship Levy

APSCo and its members find that the Apprenticeship Levy is an underutilised resource. Many of APSCo's largest recruitment members have enormous levy pots yet are unable to spend this on upskilling their large payroll of agency workers and independent contracting candidates due to the constraints of the levy.



## APSCo recommends:

The Apprenticeship Levy should be reformed to be used for shorter, more flexible modular training for 18-24-year-olds, "lane changers" and older workers.

The Apprenticeship Levy should be tailored for a more regional and sector approach to Levy support. This would allow the Levy to be spent on targeting hard to reach workers and technical sectors suffering the most from labour shortages.

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.

## Flexible visas for high skilled international workers

Whilst it is essential to invest in upskilling our existing workforce, the UK's ability to continue to attract the best international talent is also crucial to the economy. To achieve a flexible workforce, fit for the future APSCo recommends that Government should put in place the right regulatory environment, visa routes and recruitment environment to allow the UK to draw talent from across the world and expand globally; helping the UK to make a success of Brexit.



## About APSCo Global

APSCo Global is an international trade body offering global services with local delivery to the international recruitment sector through its offices in Australia, Germany, throughout Southeast Asia and the UK.

APSCo helps differentiate the professional recruitment market by raising standards and delivering expert support and market intelligence to members of APSCo around the world.

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. APSCo and OutSource members range from SMEs to the largest global, listed recruiters and outsourcers. Members recruit professionals into permanent and contract roles across STEM, accountancy, legal, finance, marketing and media in addition to highly regulated sectors such as qualified social work, teaching and clinical healthcare.

## Contact Details

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