

June 2022

Public Affairs Campaign review

APSCo
United Kingdom

OutSource
an APSCo Global company

Employment Bill and Supply Chain Briefing

Most member challenges are in this area, and we are fighting our members' corner on several issues.

Off Payroll and employment status have been very much in the news and our press releases have been widely referenced, with HMRC commencing more enforcement activity in April 2022. This is despite criticism of them by the House of Lords and the National Audit Office and an unfavourable Court of Appeal decision *HMRC v Atholl House*. We continue to push HMRC for a set off solution to ensure tax liability is fairly distributed under the rules, following an HMRC reassessment of status.

Given the shelving of the Employment Bill Justin Madders MP, Shadow Minister (Business and Industrial Strategy) and Shadow Minister (Future of Work) met us to understand our concerns about supply chain costs, Off Payroll and the need for umbrella regulation. Lord Knight of Weymouth, a Labour Peer, has also asked parliamentary questions on our behalf on both the Employment Bill delay and umbrella company regulation.

We are responding to the Director of Labour Market Enforcement's call for evidence. The DLME oversees Employment Agency Standards, National Minimum Wage (NMW) and the Gangmasters' Labour authority.

We have met Matt Warman MP, leading the Prime Minister's recently launch review on the Future of Work and are responding to the BEIS Select Committee Call for Evidence on economic growth.

Costs in the supply chain have come to the fore with the introduction of digital right to work checks. One win for us was the extension of Covid right to work check processes to end September 2022 following our letter to Tom Pursglove MP at the Home Office. We are waiting to see the costs impact of the digital check.

Back in January we wrote to Rishi Sunak the Chancellor highlighting concerns around **the rise of the national insurance** in April 2022. We wrote of our fear that the NICs hike would increase pressure and costs on business during a period of rising inflationary pressures and asked the Chancellor to reconsider. Now the increase is in place as predicted recruiters are being expected to absorb the increase in margins, most notably in the NHS. We have **written to the Minister of State for Health Edward Argar MP**, copied to the Chancellor, highlighting the unfairness of the situation and how rising costs of compliance create a risk for the NHS.



Access to Skills Briefing

Our briefing was launched in January and generated a lot of interest from the Labour frontbench, leading to meetings with the Shadow Education Minister Bridget Phillipson MP and Shadow Apprenticeship Minister Toby Perkins MP.

Our arguments on the **Apprenticeship Levy** are not only impacting the opposition but are being heard in Government with Rishi Sunak the Chancellor announcing in the budget a review of the apprenticeship scheme over the summer. Our messaging is consistent with other major trade bodies, including the CBI with their Skills Challenge Fund proposal.

We continue to lobby for assistance to **Ukrainians entering the labour market**, particularly as they are unable to meet compliance checks, such as referencing.

Another success was the launch of the **Global Business Mobility visas** in April, following our call for clarity around visas for the self-employed. However, the pressure must continue as the new Service Provider visa provides no new right for the self-employed technical expert to plug gaps in the UK labour market in the short term.

Global Britain

Launched in May this focuses on the UK's trade deal negotiations, arguing it is critical that there is mutual recognition of services and professions and flexibility on working visas for the self-employed. This will boost productivity in the UK and support our global recruitment industry.

We are aligning our public policy messaging in Singapore, Malaysia, and Australia, to boost our credentials as a global trade body.

We also highlight the Data Reform Bill. Whilst welcoming a focus on outcomes based regulation, we do not want to jeopardise the EU data adequacy decision and our freedom to transfer personal data globally. We predict that good, safe data management will rise in prominence as an issue for the industry over the mid-term.

What's Next?

Recruitment across professional sectors is currently buoyant with candidates eager to change jobs, clients with money to spend on digitalisation and a skills short market. This may protect the industry from prevailing economic challenges, but if inflation continues to soar then the sector will suffer from any general economic downturn.

We will continue to push Government for labour market regulation fit for professional recruitment and outsourcing, designed to support increased productivity and skills growth across the workforce.

