

Unshackle Skills Investment through the Growth and Skills Levy: Report and Recommendations





About APSCo

The Association of Professional Staffing Companies' (APSCo) 1,500 members globally range from SME (small medium enterprises) recruiters to the largest global, listed recruitment companies and staffing outsource providers. With 1,100 corporate members in the United Kingdom, APSCo members recruit professionals into permanent and contract roles across STEM (Science, Technology, Engineering and Mathematics), accountancy, legal, finance, marketing, and media – as well as highly regulated sectors such as qualified social work, teaching, and clinical healthcare.

APSCo OutSource represents the recruitment outsourcing sector. These companies undertake the process of recruitment and worker management on behalf of employers and are at the forefront of skills-based hiring and workforce planning.

With our international insight, via our offices in Europe, Asia, and Australia, APSCo is the leading go-to voice on the regulation affecting recruitment and outsourcing in highly skilled sectors. 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.

We are well-positioned to provide expertise as the Government seeks to bring forward reforms to employment rights, skills, training, and talent.

Tackling the professional skills crisis to achieve growth

Our members continue to report widescale skills shortages across the technical sectors they support. Our research provides evidence of this.

To meet the challenges of professional skills shortages, APSCo welcomes the Government's plans for an Industry Strategy supported by Skills England and reform of the Apprenticeship Levy, broadening it out into a Growth and Skills Levy (GSL).

As the Government looks to implement this, we recommend:

- The GSL should enable funding for shorter, more flexible modular training for everyone, but with a particular focus on key sectors critical to growth such as the green transition, maximising accessibility for 18–24-year-olds, “reskillers”, and older workers. Lessons can be learned from the Skills Bootcamp scheme.
- Development of the Growth and Skills Levy should work within the existing skills system but beyond Ofqual accreditation. Non regulated accreditation must be facilitated to encourage quality assured training delivered externally or “in-house” putting maximal flexibility at the heart of Skills England’s mandate for administering the new GSL. This should align to individual and employer needs and be future proof to meet new skills training needs as they evolve on a commercial timetable.
- The scope of the GSL encompasses temporary workers, independent professionals, and the self-employed workforce.
- Tailoring the new GSL for a more regional and sectoral approach, allowing the levy to be spent on targeting regions and technical sectors suffering from labour shortages and critical to the Industrial Strategy.

- Apprenticeships remain a valuable training part of the skills landscape across all sectors, age groups and skills. However, the scheme needs revision to enable more modular learning, an alternative pathway to the Grade 4 GCSE English/Maths requirement, broader access, and more flexibility around learning and record keeping.

We recommend that the Government further develops a coordinated national strategy for skills that aligns education investment and immigration with regional economic strengths to support advanced manufacturing and technology. We recommend that the Government works with Combined Authorities to use skills investment funding to promote and support regional hubs with local economic strengths.

To help improve participation and upskilling, additional long-term incentives and support for employers are needed, recognising the financial and managerial commitment needed to provide work experience or other types of skills training or supporting local skills programmes.

More flexible visas for highly skilled workers

The UK's ability to attract the best international talent is crucial to sustained economic growth. In alignment with the focus on developing domestic skills in the shorter term more needs to be done to enable business to fill vacancies in labour-short, high-skilled sectors, such as teaching, clinical healthcare, green energy, engineering, life sciences, digital and fintech. We support the Government's policy to align visas with specific evidence of domestic upskilling, getting people reskilled and back into work.

In the short term the lack of available highly skilled technicians and engineers is hindering growth, leading to cannibalism of limited talent in critical sectors.

To achieve a flexible workforce that allows the UK to secure global talent, we recommend:

- A rescoping of 'permitted business' within scope of the Standard Visitor visa as a non-sponsored route.
- A flexible, short-term visa route for highly skilled foreign employed and self-employed workers – and potentially targeted at known shortage skillsets. This is crucial for sectors such as onshore wind and green energy, where the UK needs short-term access to highly skilled professionals to deliver the transition to net zero.
- The expansion of existing programmes like the Global Talent visa, to attract a skilled workforce that will positively contribute to the UK's economic growth.

Latest Research

Our latest Engineering report evidences a reduction of permanent vacancies being advertised of 10.2% year on year (YOY) between April 2023-2024 and applications per vacancy for permanent roles down by 23% over that same period, suggesting a reduction in candidates looking for work. The sector is heavily biased towards permanent work, whilst the pharmaceuticals sector has a greater balance between permanent and contract.

The Pharmaceutical sector showed a much greater YOY (June 2023-2024) reduction in permanent jobs advertised of 46% versus a 15% reduction in contract roles over the same period. Applications per vacancy were down 37% over the year for permanent, although the average number of applications per role were above 30.

APSCo has collated the following case studies from its members evidencing actions they are taking **now** to upskill their clients' workers and articulating the potential impact of unshackling skills investment.

Spencer Ogden Limited

Delivering workforce to complex green energy projects.

Spencer Ogden are global recruitment experts in sustainability, natural resources, and infrastructure with a particular focus on the energy transition. They work to extensive scopes of work providing all workers across multiple skillsets for large infrastructure projects such as the commissioning, design, and construction of an offshore wind facility in the UK.

However, James Pipe, Spencer Ogden's Executive Director for Client Services is aware of **challenges faced by companies in the green energy space in the UK. He gives the example of a scarcity of electrical engineers suitably qualified to work in transmission distribution on green energy projects. Many of these engineers need to reskill from conventional power, oil and gas or broader energy backgrounds** requiring verifications, specific accredited courses, and training to be onboarded on to site. Examples include AIS/GIS specific certification, SF6 certification, VCA/SCC (DOK 17), IPAF/MEWP certifications, PASM certification and SAP certification.

Aligning short term flexible immigration (less than 12 months) with Growth and Skills Levy reform and domestic upskilling would deliver a boost to the market.

James Pipe of Spencer Ogden says

"There are many highly qualified international workers who could work with Spencer Ogden who could add excellent value to our clients' UK projects. The current immigration system is too costly and convoluted for clients to use, resulting in the market cannibalising itself with operators increasing contract rates to take on engineers working on competitors' projects".

Revolent

Reskilling IT Technical Workers working with global partners.

Revolent is part of a global talent group operating in niche IT sectors and is an organisation specialising in recruiting and upskilling staff for and on behalf of customers.

It works in partnership with vendors including Microsoft and Salesforce utilising their accredited training programmes. Revolent find diverse talent looking to reskill from other industries or with adjacent skills with an average of 10 years' work experience.

Revolent focus on building technical application skills based on user cases in training labs and customers see huge returns in terms of their employees' skills including commercial awareness, creativity and problem solving in addition to core software skills. They run some training exclusively for Microsoft Reskill partners globally and Reskill is particularly focused on the small and medium enterprise market.

Ian Clark CEO of Revolent believes that **releasing levy funds for this training would create a massive boost in take up. He says that current training costs "are out of a customer's P & L, and funding for training is one of the barriers."**

Ian Clark of Revolent says

"We have seen huge changes in clients' appetite to spend money on training when the economy is down. After travel and entertainment spend training is one of the next expenditures to be put on hold."

"Smaller companies do not have the resources and time to develop people in this way. Revolent training means that businesses have access to talent to work in their finance, IT, HR teams with diverse backgrounds and perspectives, existing industry domain knowledge, technical skills, enthusiasm, and ambition."

ManpowerGroup: Experis Academy UK

Professional reskilling with a focus on key sectors e.g. green energy

The Experis Academy has two work streams, open to all ages and skill levels (1) training workers to fill roles at Manpower Group clients, namely **“Hire, Train, Deploy”** (HTD); and (2) Reskilling and upskilling existing workers at their clients into new roles. Around half of the recruits into the HTD model are now from a socially diverse background.

Michael Noone, Head of Experis Academy UK, knows from experience that the UK is a “great engineering nation” with a competitive engineering sector and that the Growth and Skills Levy represents a “real opportunity to invest into mechanical and electrical engineering skills training,” skills he believes are critical to the evolving green jobs market.

Employers need financial levy support to deliver bespoke training programmes, with flexible delivery.

As a global business ManpowerGroup knows that if they can gain accreditation and government funding for their own training, as they have done **in Italy and Israel, it makes programmes scalable and cuts costs for business – both critical to their clients’ engagement and commitment.**

This is in comparison to the UK where ManpowerGroup and its clients are spending a lot of money on bespoke training through third party providers. Working across advanced manufacturing, defence, big technology and increasingly the public sector e.g., through the Public Sector Resourcing “Recruit, Train, Deploy” model, ManpowerGroup can foresee the phenomenal impact levy access could deliver across the NHS (National Health Service) and government departments, as well as the private sector.



Peregrine Future Talent

Training interventions to prepare people for work.

Peregrine Future Talent has offered a **“recruit, train, deploy” model since 2011 and has launched the careers of more than 800 people.**

Peregrine work across the public and private sectors offering roles in software development, business analysis and project management. They largely recruit graduates into a two-year scheme which kicks off with a 6-12 week training programme run by them. Government bodies and business work with them to relieve pressure on internal resource, to manage their budgets and because they recognise Peregrine as experts.

They prefer the model to apprenticeships, despite no governmental support, as they are more flexible, less administratively heavy, and can be more bespoke.

If the levy became more diverse and flexible, then Peregrine could **use their levy or their clients’ levies to support accredited training such as British Computer Society modules for Business Analysts. This model is scalable and can apply across all age groups and locations, to be used for reskilling or upskilling.**

Peregrine considers that the public and private sectors would benefit from freedom to use levy funds to support a broader range of programmes e.g. internships and mentor schemes.

“It’s really rewarding to see our cohort at the end of the programme, knowing how they started, leaving to great permanent jobs in prestigious institutions.”

Samantha Smallwood, Head of Resourcing

Hunter Gatherer AHP

Staffing the NHS

APSCo member Hunter Gatherer AHP is a major supplier of Allied Healthcare Professionals (AHP’s) to the NHS. The skills training required to onboard a new candidate is extensive.

Live Examples given:

- Band 6 **Physiotherapist NHS: 17 training modules**, many with varying Levels. These cost between £15 (online with volume discount)- £90 in person per person. These are often paid in the industry by the worker.
- Band 6 **Community Psychiatric Nurse NHS: 31 training modules**. These cost between £15 (online with volume discount) - £90 in person per person. These are often paid in the industry by the worker but can also form part of the Healthcare Assistant Care Certificate which nurses do at their own cost.
- Further client specific requirements e.g. Prevention and Management of Violent and Aggression training (PMVA) **£100-£500 in person over 1-3 days.**

Enabling use of the Growth and Skills Levy for training will encourage candidates back into work and will speed up onboarding and reduce the cost of compliance. Further, **if training was standardised across NHS Trusts, then workers could “transport” their training from one care setting to another.** Currently, they are generally required to retake training for every assignment if a Trust does not recognise a registered training provider on its PSL.

Tania Bowers, APSCo’s Global Public Policy Director says

“Adherence to stringent compliance standards is critical to onboarding clinical experts into the NHS. Alongside ability to source scarce candidates, it is the reason that recruitment companies are a valued and essential component of the NHS workforce strategy. APSCo is working with the Better Hiring Institute to create one standard for the supply chain compliance across the different frameworks.”

Juice Talent Development Ltd

Expanding beyond apprenticeship provision

Juice are an Ofsted registered **apprenticeship training provider** offering recruitment and business apprenticeships to APSCo members, tailored to the needs of a recruitment business. However, they recognise some limitations from the client perspective, such as the inflexibility around length of apprenticeship, administration, and training.

Jackie Rees, Managing Director Juice says

"The necessity for GCSE level 4 in England and Maths puts off more mature learners, time poor or unmotivated to take exams, and those educated overseas (due to the difficulty of providing evidence of comparable exams)."

Juice works with Skills First to endorse its courses. Jackie Rees, its Managing Director, says that if the Growth and Skills Levy were expanded across endorsed courses provided by them, APSCo, and others such as the Institute of Leadership, this would significantly boost uptake by businesses to upskill and reskill staff of all ages and experience. Skills First endorses courses across many technical sectors and work.

Juice believes the Ofqual registration with Ofsted inspection, although requiring robust compliance, should not be applied across an extension of the levy to more flexible courses, **as a lighter touch is appropriate for adult training.**



Key Recommendations

- The Growth and Skills Levy (GSL) should enable funding for shorter, more flexible modular training for everyone, but with a particular focus on key sectors and regions critical to growth such as the green transition.
- Development of the Growth and Skills Levy should work within the existing skills system but beyond Ofqual accreditation. Non regulated accreditation must be facilitated to encourage quality assured training delivered externally or “in-house” putting maximal flexibility at the heart of Skills England’s mandate for administering the new GSL.
- The scope of the GSL should encompass temporary workers, independent professionals, and the self-employed workforce.
- Apprenticeships should enable more modular learning, an alternative pathway to the Grade 4 GCSE English/Maths requirement, broader access, and more flexibility around learning and record keeping.
- Additional long-term incentives and support for employers are needed, recognising the financial and managerial commitment needed.
- Right now, to respond to immediate challenges, a flexible, short-term visa route for highly skilled employed and self-employed workers is needed targeted at shortage skillsets. This is crucial for sectors such as electrification and green energy, where the UK needs short-term access to highly skilled professionals to deliver the transition to net zero.

Further information

With 25 years’ experience, APSCo has significant experience of the regulatory policy affecting staffing and recruitment across the economy, ranging from healthcare to education, technology, marketing, finance, professional, engineering, and life sciences.

Should you require any further information about this report or would like to ask any questions, please contact:

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