



REC MANIFESTO

Making Great Work Happen



This should be a jobs election. Few things matter more to people.

They are the way we fund our lives and care for our loved ones. But they are also an outlet for our creativity and the social space where we come together for a common purpose. Great work is good for our pockets, health and happiness. Making great work happen should be a priority for any incoming government.

Recruiters place a million people into new permanent jobs every year, and a million temporary workers into workplaces across the UK every day. They are jobs experts.

As the voice of this £35 billion industry that changes the UK by opening up opportunity and helping companies grow, the REC is uniquely positioned to work with policy makers to make great work happen. In this manifesto, we set out four key priority areas for the new government.

1. ENSURE THAT GOOD WORK AND FLEXIBILITY GO HAND-IN-HAND

Making sure different types of work are available underpins our high employment rate and helps people find the right roles for them. We must tackle abuses – but also acknowledge the huge strengths our flexible jobs market brings. The recruitment industry is committed to playing its part in driving two-way flexibility and fairness.

We call on the next government to:

- **Protect two-way flexibility that benefits both workers and businesses**

The next government must ensure that employment regulations are proportionate and reflect modern working practices whilst nurturing one of our labour market's greatest strengths: its two-way flexibility. A flexible jobs market helps with living standards and economic growth. **In the UK, 39% of people have at some stage worked as a temporary worker, contractor or freelancer¹. Flexible work is no longer 'atypical' – it is normal.** Any future regulatory changes must acknowledge this as a starting point.

- **Unlock progression for almost a million people by broadening the Apprenticeship Levy to work for flexible staff**

Allowing recruitment businesses to spend the money they pay into the levy by creating a more flexible training levy would boost progression opportunities for 960,000 temporary workers. It would also help to address skills gaps in sectors such as health and social care, hospitality, logistics and manufacturing. **Just 670 REC members have generated £104 million of funds that lie unused because apprenticeships do not work for those on flexible and temporary contracts.**

20% of recruitment businesses within REC membership pay into the levy - in contrast to only 1.3% of all employers. This change would support the 82% of businesses that plan to offer training/upskilling opportunities to current staff in order to increase productivity².

¹ REC Flexible Work Research, November 2019

² REC Training for Temps report, 2019



2. HARNESS BRILLIANT RECRUITMENT TO DRIVE PRODUCTIVITY AND INCLUSIVE GROWTH

Done well, recruitment is a powerful tool for companies and candidates to build a better future for themselves and the country. Evidence shows that employee engagement drives productivity, growth and staff satisfaction. Skills policy alone is not enough – more is needed. Recruitment is a vital first stage.

We call on the next government to:

- **Put people at the heart of the Industrial Strategy**

The next government must focus on supporting companies on employee engagement, leadership and developing managers to really get the economy flying. An effective Industrial Strategy should be a partnership between business and government designed to tackle key issues in our economy. Evidence from all over the world shows that people drive growth, but to date the Industrial Strategy has focussed narrowly on skills. Skills are vital but it needs to be part of a broader reform programme delivered with business if there is to be real change.

- **Create a 'Good Recruitment Taskforce' to support better hiring by businesses**

As part of a people-centric Industrial Strategy, **businesses need practical tools to review current hiring processes** and identify what changes will make the most difference within a complex employment landscape. Working with the REC, a government-backed 'Good Recruitment Taskforce' would:

- a. Boost diversity and inclusion. Focusing on good recruitment can speed up this much needed change within organisations. This is particularly true for SMEs who often find it hard to keep up with the latest best practice on all aspects of diversity.
- b. Drive growth and productivity by helping businesses hire the right staff at the right time to seize new opportunities and enhance their delivery of services and products.
- c. Develop good recruitment tools and peer to peer networks that lead to continuous improvement in hiring practices.
- d. Save businesses money by helping them to hire on long-term value, not low cost. REC research shows that the wrong hire can cost firms hundreds of thousands of pounds³.

3. CREATE THE ENVIRONMENT FOR GREAT BUSINESSES TO THRIVE

Creating the right regulatory and enforcement framework to protect the interests of compliant businesses and workers must be a major priority for government.

We call on the next government to:

- **Only implement IR35 and other regulatory changes when it's clear the policy can be effectively delivered**

Everybody should pay the right amount of tax, but IR35 changes in the private sector should be delayed until 2021 to ensure that implementation problems in the public sector are not repeated. Rushed last minute legislation is the last thing business needs at the current time. A delay will also give the government the opportunity to properly regulate umbrella companies and set up enforcement that ensures the compliant prosper and the non-compliant do not.

The next government must define and regulate umbrella companies and ensure that HMRC is resourced to tackle non-compliant schemes.

- **Improve the enforcement of existing regulations through better co-ordination between government bodies**

We need an enforcement structure that delivers fairness and a level playing field. This will best serve the interests of compliant businesses as well as individual workers. Professional bodies with a clear mission to improve compliance and standards should be seen as genuine partners, complementing the work of government inspectorates. It will be better to further improve co-ordination between bodies than to create a super-regulator. Any unification of enforcement agencies must not lose specialist skills or be an excuse for these bodies to become internally-focussed.

³ REC The Perfect Match report, 2017

⁴ REC JobsOutlook, October 2019

- **Introduce a two-year temporary work route to help build an immigration policy that works for business, workers and the economy**

A Global Britain needs an open and managed immigration policy. An evidence-based approach should include a salary threshold lowered to £20,000. With jobseeker availability declining month on month since 2013, over 50% of employers are concerned over a future lack of staff and skills, particularly in sectors like healthcare and IT⁴. When freedom of movement ends, there should be a temporary route for all skill levels. **To encourage integration and to decrease risk of exploitation, the cost of this visa must be kept to a minimum and it should be held by the worker, not the employer.** Overseas workers on this route must be able to stay for two years, and should be able to apply for other immigration routes from within the UK.

- **Use public procurement to drive standards – value and learn the lessons from Carillion**

The next government must harness rather than marginalise the expertise of specialist recruiters. This will drive compliance, ensure a level playing field and promote best practice recruitment. Well-managed flexible staffing arrangements in healthcare, education and the wider public sector are a crucial and cost-effective means of maintaining front-line services. Learning from the Carillion fall-out means government shouldn't buy on price alone, to the detriment of quality and sustainability of service. **An important step forward would be creating level playing field between specialist agencies and in-house staffing banks in the NHS.**

4. TAKE THE LEAD ON THE FUTURE OF JOBS

Public policy must keep up to speed with rapid developments in the world of work. 73% of business leaders expect significant disruption to how we work over the coming years⁵.

We call on the next government to:

- **Ensure that regulations keep pace with technological change to protect workers**

We want the government to work with the recruitment industry to find a solution to the rising number of apps and digital platforms that meet the definition of an employment business or employment agency but don't recognise themselves as such and are hard to govern as a result. This can expose workers to exploitation and compliant businesses to being undercut.

- **Tap into the expertise of recruitment professionals to pre-empt disruption and facilitate career transitions**

The next government must build on the existing Rapid Response Unit within DWP and develop an all-age work advice service that harnesses the expertise of businesses and recruitment professionals. The Carillion and Thomas Cook administrations and ongoing disruption in sectors like retail have underlined the need to facilitate career transitions for those affected.

We call on all parties to ensure their manifestos consider how to make great work happen. We stand ready to work with you as experts on the jobs market.

Call our Policy & Campaigns team at: 020 7009 2100 or email policy@rec.uk.com

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