

Liz Kendall MP  
Shadow Secretary of State for Work and Pensions  
House of Commons  
London  
SW1A 0AA

11 September 2023

Dear Liz,

Congratulations on your recent promotion to Shadow Secretary of State for Work and Pensions. On behalf of everyone at the [Recruitment and Employment Confederation \(REC\)](#), we wish you every success in this role. We are keen to ensure that any future government is equipped and prepared to tackle the pressing labour market issues facing us right now.

As the body representing the UK recruitment and staffing industry, we drive standards and empower recruitment businesses to build better futures for jobseekers and for our economy. Across the UK, the recruitment industry places a million people into new permanent roles every year, and one million people into temporary assignments on any given day. This gives us insight on what is happening from the frontline of the labour market, and we would be keen to share what we are seeing with you and your team. I have included some of our latest data along with this letter.

The REC has a close relationship with DWP, and has done from the time of the last Labour government. The REC and DWP Partnership agreement commits to deepening the partnership between public and private sector employment services. The REC has also acted as a Gateway organisation for the Kickstart Scheme, delivering over 200 placements for young people, and we're currently working in collaboration with Maximus to support Restart, placing over 1,500 long-term unemployed people into jobs so far. We are very keen that the lessons from these schemes are learnt and inform all future policy developments. A specific priority for us right now is how to address stubborn levels of economic inactivity. This needs to be both a business and a policy imperative.

We share a goal of a labour market that delivers for the UK – raising wages and boosting growth. Yet recent research by the REC has found that the UK economy could potentially lose up to £39bn a year from 2024 if we don't resolve labour and skills shortages now. Our report, [Overcoming Shortages: How to create a sustainable labour market](#), calls for a comprehensive **future workforce strategy** to build the skilled workforce the UK will need for the years to come. We know your advocacy around supporting people into work, from removing the government's cap on working-age benefits to wanting increased support for disabled and older workers, and we would be keen to explore further areas for business and policy collaboration on how we build better work-finding services at a deeply practical level.

The right skills, immigration, devolution and labour market activation policies all matter if we're going to create a truly sustainable labour market. While much of the responsibility for this lies with business, government also has a role to play and there are some practical steps Labour policy could take, including:

- Creating the next iteration of welfare-to-work support schemes (like Kickstart and Restart), learning from the past experience of suppliers and customers of the schemes.

- Applying Labour's Growth and Skills Levy proposals to encourage high-quality early-career apprenticeships, good retraining options and modular interventions that help people move in their careers quickly. This has the ability to address labour shortages and help to level up communities. We would suggest Labour's Skills England could collaborate with businesses as part of this process to ensure that our skills system and workforce planning are far better aligned.

We look forward to working with you and your team in this vital work. It would be great to have the opportunity to meet with you, to discuss how we can further support you in your plans for the department. Ellie ([ellie.goddard@rec.uk.com](mailto:ellie.goddard@rec.uk.com)) in my office would be happy to arrange a meeting at your convenience.

Yours sincerely,



**Neil Carberry**  
Chief Executive