



MATT WARMAN MP
Member of Parliament for Boston & Skegness

63 WIDE BARGATE
BOSTON PE21 6SG

The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London
SW1A 2AA

31 August 2022

Dear Prime Minister,

Thank you for asking me to undertake a review of the future of work and the challenges our labour market will face in the coming years.

It has been a privilege to engage with a wide range of stakeholders, who have been generous with their time and creative with their ideas for how to prepare the UK economy for future challenges and address the issues facing workers and employers. It is also a privilege to have been recently appointed as Minister of State at the Department of Digital, Culture, Media and Sport. With my new role, it is right that I now allow others to take forward the issues I have identified. Ultimately, it is action, rather than any review, that will prepare the UK economy for future challenges and address the issues facing workers and employers.

The evolving nature of work will be a defining theme for our country through this decade and beyond. Jobs are changing: automation and new business models are altering how people go about their working lives, interact with their employers, and structure their careers. We are seeing new industries emerge in new places that require new skills.

We currently have a historically tight labour market, with vacancies outnumbering unemployed people for the first time. Low unemployment is unquestionably a success story of our Plan for Jobs. But it also reflects both a softer recovery in labour supply which is leading to shortage in some workforces and contributing to wider inflationary pressures. We must increase participation in the labour market, by ensuring that as many people as possible can continue working - through life events such as starting a family, and as they get older.

These trends are not new, but they have been accelerated by the Covid pandemic, and the Government's immense response to it. We therefore need to look forward and develop an ambitious new programme to incentivise high-quality jobs.

Work will always rightly be shaped by business rather than government – but today there are still a number of barriers that prevent businesses from taking full advantage of opportunities to upskill their workforce and increase productivity. Many workers have yet to see the benefits of 21st century working practices in their own jobs. We need to level up the quality of jobs; talent is spread equally across the UK, but opportunity is not. In all of these areas, government policy can create the conditions for employers and workers to seize these opportunities for themselves.

Throughout my engagement, input has fallen into four key areas that I would recommend the Government now consider in greater detail:

- ***Artificial intelligence and automation:*** The UK leads among its peers in this vital area. Existing strategies are set to make it possible to continue that. New technology is likely to largely arrive incrementally, augmenting existing jobs and creating new ones. In a tight labour market, this is hugely beneficial, but there are areas of the UK where larger proportions of a workforce will be at greater risk of being left behind due to rapid automation. As a next step, the Government should continue to consider what it can do to promote the UK to continue to be a world leader in AI and explore what more can be done to map and support areas more susceptible to the pace of change.
- ***Skills:*** It is increasingly clear, both from existing government policy and from broader trends, that local communities, businesses and local governments can work closely together to meet area specific skills demand. The laudable Regional Skills Boards, Town Boards and other endeavours show that government has a unique opportunity to ensure colleges, skills providers, universities, workers representatives and others assess and rapidly deliver local skills needs and business opportunities. With the support of the Government, such initiatives can enable a more agile approach to the approval and delivery of training.
- ***Place and flexibility:*** Perhaps above all, the juggle between where we work, how often we work from home, where we live and the location of those we care for will define the future of work. If we get the balance wrong, older people, women and the disabled will be the groups most affected, to the huge detriment of society as a whole. If we get it right, more people will be able to stay in work for longer, benefitting the entire economy and their own health and wellbeing. Yet this must be balanced with the need to make sure that young people in particular benefit from the supportive environment that physical workplaces can provide. Flexibility and remote working means that people do not need to make a choice between continuing to work or caring for children and ageing relatives. Businesses know the value of getting this right; and it is only reasonable that they expect the Government to support them to do so. The Government should therefore continue to consider the rights of those who wish to work flexibly and develop a better understanding of what ‘flexibility’ means for the various groups that make up the workforce.
- ***Workers’ Rights:*** While the courts have clarified the status of some workers in the gig economy, there remains a significant legal exercise to resolve the tensions between corporate tax structures and the resulting deficits in workers’ rights. In the course of the pandemic, many workers and employers discovered that greater autonomy produced greater productivity and job satisfaction. Nonetheless, precarious and unpredictable work, alongside increasing job intensification, means there is significant benefit to encouraging transparency on what firms now expect from their workers and when. The Government should continue to be a global leader in this space and work with organisations, such as ACAS, to establish best practice and set out clear expectations for the benefit of both workers and employers.

Next Steps

This Government has a record to be proud of across all these areas. At this unique moment after Covid and outside the EU, we can now look to develop the skills, the rights and the environment to level up, maximise productivity, work towards net zero and enhance the wellbeing of employers, employees and the self-employed. Above all, it is in the areas of place and workers' rights where I believe there is the opportunity to make further progress.

I am therefore pleased that this valuable work will be continued. I welcome the fact that officials, in particular those in Cabinet Office, HMT, DWP, BEIS and DfE, will take forward a programme of work to consider these issues in detail. I wish to place on record my immense gratitude to all those who have engaged with the review and in particular the officials who have worked so diligently on it, and to you and colleagues in Government for asking me to undertake it.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matt Warman', with a horizontal line underneath the name.

Matt Warman MP
Boston and Skegness