



REC

Recruitment & Employment Confederation

Jobs Outlook

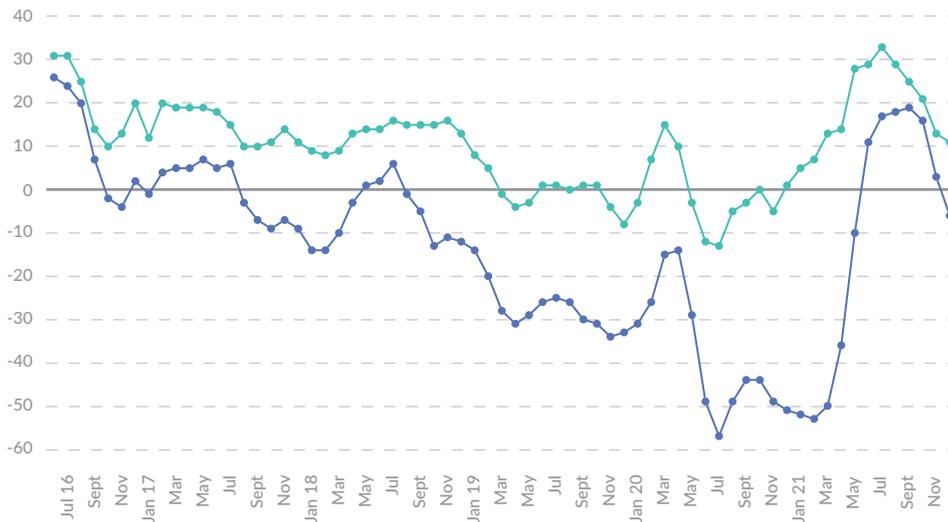
December 2021

Employer confidence in UK economy falls amid uncertainty about Omicron variant

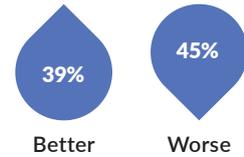
Confidence

In September-November 2021, business confidence in the UK economy fell by nine percentage points to net: -6. This was the first time the barometer fell into negative territory since February-April 2021.

Employer confidence in making hiring and investment decisions remained positive, but fell by two percentage points to net: +11.



Do you think economic conditions in the country as a whole are getting...



In view of the economic conditions, do you/does your organisation expect confidence in hiring and investment decisions to get...



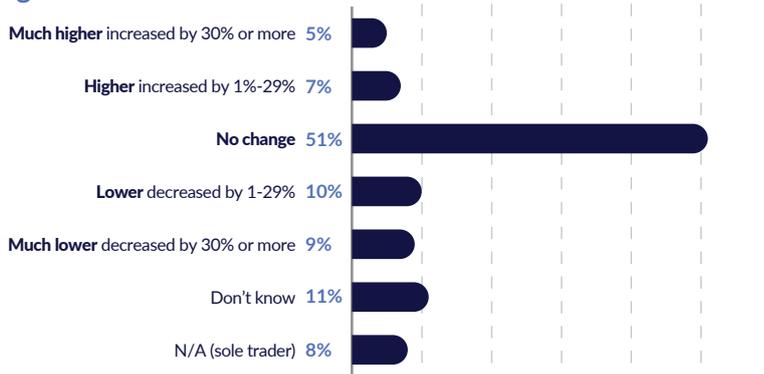
All involved in hiring (n=600).

- Economic conditions (net)
- Hiring and investment decisions (net)

The net percentage is calculated by subtracting the % of respondents answering 'worse' from the % of respondents answering 'better'.

Topical Question

The furlough scheme came to an end on 30 September 2021. Since the ending of the furlough scheme, has the availability of appropriate candidates for vacant roles at your organisation been...



When the furlough scheme ended, there were 1.14 million people still on furlough. This represented 4% of the UK workforce jobs.¹

Whilst there was significant concern that the ending of the scheme would widen the pool of candidates for open positions, this does not seem to have happened. More employers (19%) have experienced a reduction in the number of appropriate candidates for their vacancies than have experienced an increase (12%). For many workers, the end of the scheme meant a return to their former role. This may have reduced the number applying for other opportunities.

1. House of Commons Library - Coronavirus Job Retention Scheme: statistics, 23 November 2021

All involved in hiring, surveyed in November 2021 (n=200)

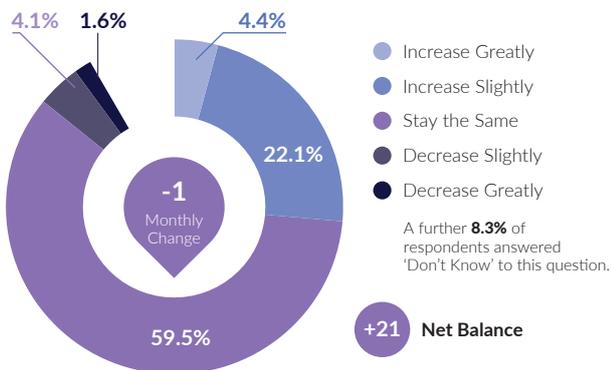
Throughout, figures based on fewer than 50 respondents are marked with an asterisk (*). Due to the small base size, these results should be considered indicative, rather than conclusive. Totals may not sum to 100% due to rounding. Data were weighted to be representative of UK adults in employment by region, broad industry sector and public/private split. Savanta ComRes is a member of the British Polling Council and abides by its rules.

Permanent Recruitment

Short-term outlook

Do you think the number of permanent workers in your organisation will increase or decrease in the next three months?

Despite the uncertainty around the UK economy, in the three months to November, employers' short-term permanent hiring intentions remained robust at net: +21. Regionally, demand was highest in the South of England and in the devolved nations (both net: +24). It was lowest in London (net: +17). Nationally, large (250+ employee) organisations were notably more optimistic than the UK's smallest (0-49 employee) enterprises, at net: +26 and net: +17, respectively.

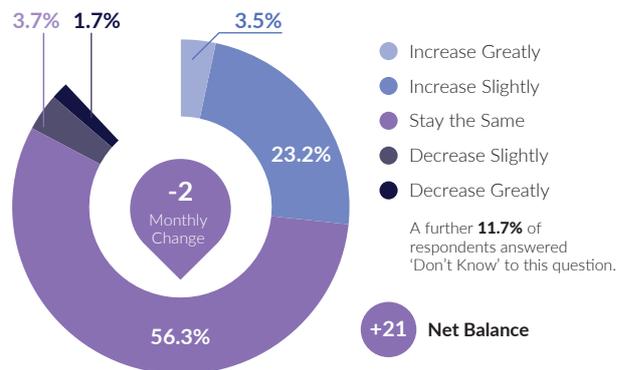


All who recruit permanent staff in any job functions (n=481)

Medium-term outlook

Do you think the number of permanent workers in your organisation will increase or decrease in the next four to twelve months?

At net: +21, medium-term permanent hiring intentions also remained strong in September-November 2021. Moreover, the proportion of employers planning to reduce headcount fell through the individual months of this rolling quarter (from 10% to 3%). Across the quarter, sentiment was highest in the South (outside London) and net: +25. However, with 32% planning to add staff and 7% planning to release workers, there is likely to be notable churn.



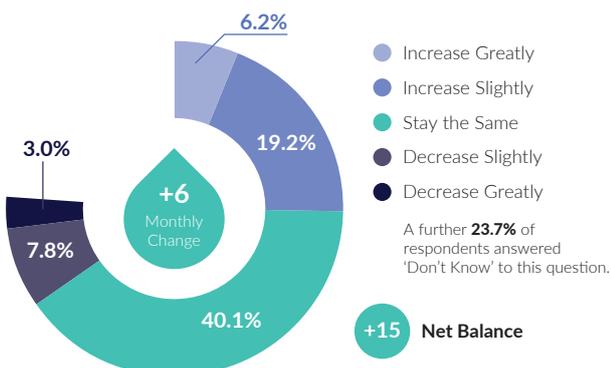
All who recruit permanent staff in any job functions (n=481)

Temporary Recruitment

Short-term outlook

Do you think the number of agency workers in your organisation will increase or decrease in the next three months?

In September-November 2021, employers' intentions to hire temporary agency workers in the short term increased by six percentage points to net: +15. However, almost a quarter (24%) of respondents who recruit temporary agency workers were unsure of their short-term worker plans, across the quarter. By November, the proportion had increased to 41%. This uncertainty about the use of agency workers was driven by large (250+ employee) organisations and employers of all sizes in London.

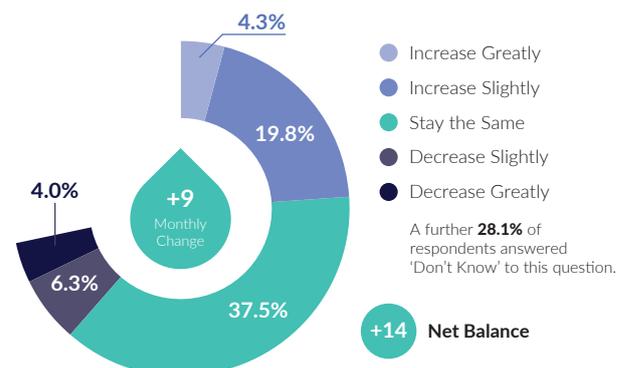


All who recruit temporary agency workers in any job function (n=156)

Medium-term outlook

Do you think the number of agency workers in your organisation will increase or decrease in the next four to twelve months?

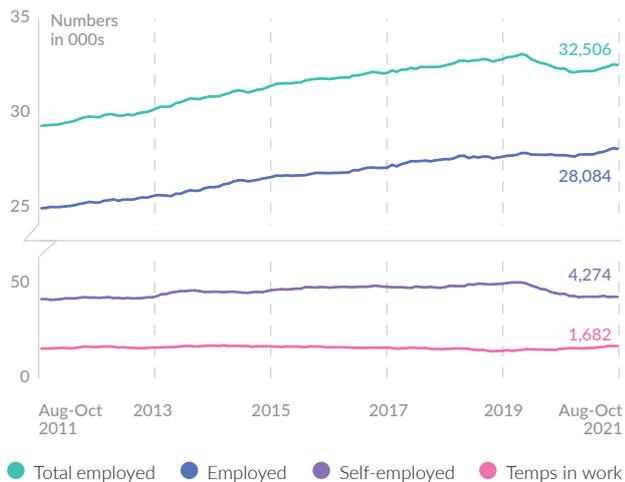
Medium-term hiring intentions for temporary agency workers also rose by nine percentage points to net: +14 in this rolling quarter. Uncertainty over medium-term plans for agency workers also rose sharply, from 8% in September to 42% in November. Again, this rising uncertainty was driven by employers of all sizes in London. Regionally, employers in the South were most buoyant across the quarter (net: +31).



All who recruit temporary agency workers in any job function (n=156)

Total Employment Permanent, temporary and self-employment

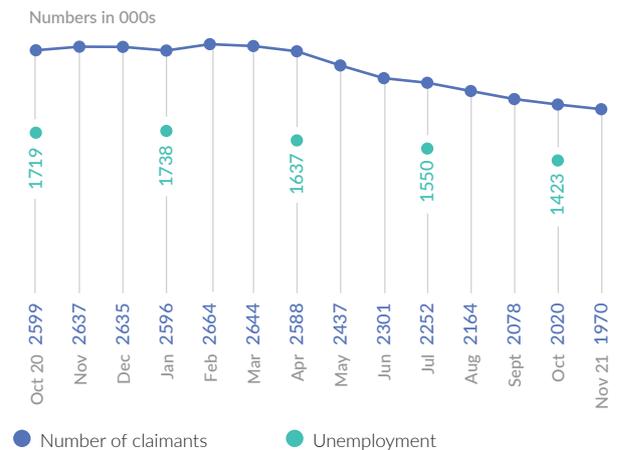
At 32.51 million in August-October 2021, the total UK workforce increased by 149,000 (0.5%) quarter-on-quarter (QoQ), and by 193,000 (0.6%) year-on-year (YoY). Self-employed numbers were down, QoQ, by 51,000 (1.2%) and fell by 156,000 (2.5%) YoY. In contrast, temporary employee numbers rose by 45,000 (2.8%) QoQ, and 159,000 (10.5%) YoY. The official vacancy number reached a new peak of 1.22 million in September-November 2021. This was 435,000 (55.3%) higher than the pre-pandemic level (Q1 2020), and 13 of the 18 industry sectors registered record highs.



Source: Labour Force Survey (LFS), ONS

Unemployment and claimant numbers

The unemployment rate was 4.2% in August-October 2021, compared to 4.6% last quarter (May-July) and 5.0% in the same period last year. This quarter notably included the first month of figures after the closure of the furlough scheme on 30 September 2021. There were 1.42 million people unemployed, 8.2% (127,000) lower than the previous quarter and 17.2% (295,000) lower than the same period last year. Redundancy numbers also fell to 97,000 from 104,000 in July-September. Moreover, at 1.97 million, the provisional Claimant Count in November 2021 was 2.5% (50,000) lower than the previous month and 25.3% (667,000) lower than a year earlier.



Source: Labour Market Statistics, Dec 2021: unemployment (quarterly) and seasonally adjusted claimant count (monthly)

Real Wage Growth

In real terms (adjusted for inflation), regular pay growth (excluding bonuses) for GB employees remained positive across the year to August-October 2021. However, it declined to 1.0% from 2.2% last rolling quarter. For the single month of October, real terms regular pay growth dropped to 0.0% (from a revised 1.1% in September).

The Office for National Statistics (ONS) also noted that the temporary factors (the base and compositional effects) influencing pay growth rates upwards in previous months "have largely worked their way out of the latest growth rates, however a small amount of base effect for certain sectors may still be present".



ONS, Labour Market Overview: December 2021

Consumer Confidence Index

GfK's Consumer Confidence Index improved by three points in November to -14. This was the first monthly uptick after three consecutive months of decline. In contrast to employer expectations for the UK economy, which continued to decline, consumer expectations for the next 12 months rallied by three points in November to -23. This was 27 points higher than a year earlier.

Respondents' views on their own personal finances over the next 12 months also marginally improved, up by one point to +2. This was seven points higher than in November 2020. Encouragingly for retailers, the major purchase index rose by seven points to -3, which was a marked 25-point improvement on the same period last year.



GfK Consumer Confidence Index: -14 in November 2021