

UK recruitment sector remains resilient, but Brexit could prove more damaging

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- Survey reveals recruitment businesses remain resilient despite struggling economy
- Majority of firms indicate they have the necessary funds to weather the storm and grow post pandemic
- 72% feel unprepared for end of the Brexit transition period

Despite the economic uncertainty, the UK's recruitment industry has remained resilient, but the end of the transition period has the potential to negatively impact the positive hiring trends that have survived the pandemic. That's according to recent research from the Association of Professional Staffing Companies (APSCo).

UK recruitment resilience

The survey – produced in conjunction with Saffery Champness LLP – asked businesses to score their company between 1 and 10 – across a number of operational, organisational and financial criteria with 10 indicating a firm is 'best in class'. When assessing their firm's operational resilience, those with a Net Fee Income (NFI) in excess of £50 million indicated optimism had remained in the strength of their business, with an average score of 8. No averages were recorded below 6, suggesting the UK's recruitment sector has remained resilient despite taking a hit during the first few months of lockdown.

Financial resilience also remains intact, with many confident that their company has the financial resilience and funding to weather the storm of Covid-19 and take advantage of growth opportunities when they arise, with no averages falling below 6 on the scale.

Brexit could prove more damaging than Covid

However, the survey also revealed that the UK's ability to recruit the skills needed to support Boris Johnson's 'Build Back Better' plan will be hit once the transition period ends. 72% of those surveyed that operate purely in the UK revealed that they do not feel prepared for Brexit, with immigration a significant concern for the country's economic recovery. According to APSCo, the post-Brexit immigration system doesn't provide viable routes for independent European workers that many of the UK's businesses rely on.

Ann Swain, CEO of APSCo, commented:

"The recruitment sector often acts as a barometer of economic trends so it's highly encouraging to see resilience remain despite the struggles that we've all faced this year. However, if this optimism is to remain and the UK is to Build Back Better, we need access to flexible international skills, something which the points-based immigration system and Skilled Worker route doesn't provide. There is little to support and encourage contract workers to make a move to the UK for work after the transition period. Without a visa route that is geared to attract highly skilled contractors into the UK and, with lucrative opportunities available to these individuals in other countries, few are likely to willingly

tackle the UK's immigration system post-transition. While the Government may be planning to bolster the economy and employment, if the skills aren't there in the first place, post-Covid progress will be limited."

Jamie Cassell, Partner at Saffery Champness LLP added:

"It's encouraging to see the recruitment sector remain resilient despite the on-going challenges across the UK. The fact that so many businesses are indicating that they have the funding available and have developed a flexible business strategy to help weather the storm is highly welcome news in what has been an incredibly difficult year so far. We may be facing continued uncertainty, but the recruitment sector's ability to continue operating will be crucial as it plays its part in getting the UK back to work."

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