

Employment Trade body warns skills shortages and lack of flexible global workforce could set economic recovery back

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Professional vacancy numbers have continued to grow as the holiday season approaches, with permanent jobs up 3% month on month in November and 43% year on year. That's according to the latest Recruitment Trends Snapshot report from The Association of Professional Staffing Companies (APSCo).

Hiring up ahead of Christmas

The data, provided by growth analytics experts cube19, revealed that contract hiring is also up, reporting a 1% uptick month on month and 69% growth annually. This comes at a time when hiring across white collar roles usually sees a seasonal lull as the holiday season approaches, which is indicative of the continued recruitment drive that the UK is experiencing as the economy recovers from the initial impact of the pandemic.

The daily tracking data indicated vacancies grew towards the end of November, with job posts up 6% across permanent and contract roles in the second half of the month when compared to the first two weeks. This indicates that hiring remained on an upward trajectory as December began, suggesting that UK hiring activity is showing no signs of slowing.

Skills shortage concerns remain rife

While this uptick in hiring appears positive on paper, APSCo has warned that economic recovery in the New Year is at risk if appropriate action isn't taken to address the skills shortages facing the UK. APSCo has continuously called on the Government to ensure that the country has access to internationally highly skilled independent contractors to help fill the UK's skills gap and that a post Brexit immigration route is needed that is both attractive and viable for non-UK independent contractors to support skills demand across the country.

Additionally, the trade body is also calling on the Government to address the under- utilisation of the Apprenticeship Levy given the constraints of the scheme.

Commenting on the data Ann Swain, Chief Executive of APSCo said:

"The hiring market remains buoyant which bucks the seasonal trend we usually see towards the end of the year when recruitment activity tends to drop. While we expect to see significant annual increases in hiring given the lockdown that was imposed at the end of 2020, the emergence of the new Covid variant last month and further restrictions being introduced ahead of the holiday season are understandably causing some concern. However, our data does show that vacancies increased towards the end of November, despite the on-going reports of Omicron cases spreading across the UK. Although it's impossible to predict what will happen in the weeks ahead, the early signs suggest that the recruitment sector remains largely resilient for now. What does threaten this optimism, though, is the continued shortage of skills being noted across the country. While upskilling the UK workforce will deliver longer-term results, the immediate need is for a legislative environment that supports agile and international recruitment

activity. Additionally, the Apprenticeship Levy is massively underutilised resource. Many of our largest recruitment members have enormous levy pots. However, they are unable to spend this on upskilling their large payroll of agency workers and independent contracting candidates due to the constraints of the levy and this needs to change.”

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