

Demand for contractors spikes as skills disappear across the country

Submitted by: BlueSky Public Relations Ltd

Monday, 15 August 2022

As skills disappear across the UK, employers are relying heavily on contract professionals to keep businesses operating as threats of a recession increase. That's according to the latest data from the Association of Professional Staffing Companies (APSCo)

The data - provided by the global leader in software for the staffing industry, Bullhorn – revealed that the number of contract roles in the UK grew 13% in July 2022 when compared to pre-pandemic figures (July 2019). In comparison, the number of permanent jobs dropped 23% in the same period.

This reliance on temporary resources to fill staffing gaps has been steadily growing amid the on-going skills crisis, with APSCo's data showing that contractor jobs rose 2% between June and July 2022 and 7% between July 2021 and 2022. In comparison, permanent job numbers have dropped, down 1% from June to July 2022. Perm vacancies also reported a similar decline annually in July.

While permanent hiring figures are down for the second month in a row, further exacerbating concerns that a recession is looming, the data revealed a worrying downward trend in average salaries, which fell 7% year-on-year. With the UK facing a cost-of-living crisis, this will no doubt exacerbate the shortage of applications for current roles and will further increase the reliance on the contract market.

Ann Swain, CEO of APSCo comments:

"The data is painting a worrying picture for the UK's permanent recruitment market at a time of continued instability. We are still seeing the impact of the pandemic play out, but to see such significant spikes in contractor recruitment when comparing pre-pandemic levels with today, while permanent jobs decline, highlights that the country's skills agenda is balancing on a knife's edge. Companies are faced with no other choice but to turn to contractors to keep business as usual operations running, but for many, that's not a sustainable approach. With average permanent salaries also dropping despite the cost-of-living crisis, our economic stability is at stake. While we await the decision around a new Prime Minister for the country, my hope is that the successful individual prioritises a solution to the UK's skills crisis."

Ends

Press contact

Sadie McGrath

sadie@bluesky-pr.com

01582 790 700