

# UK LABOUR MARKET PROFILE

## APRIL 2021

This summary of the UK labour market uses data produced by the Office for National Statistics every month. This update covers the period from December 2020 to February 2021<sup>1</sup>.

The latest figures suggest that the jobs market has been broadly stable in recent months.

After a few months of increases, there was a small decrease in the number of payrolled employees in March 2021. Over the year, the largest falls in payrolled employment have been in the hospitality sector, among those aged under 25 years, and among those living in London.

There was a small quarterly decrease in the unemployment rate, while the economic inactivity rate increased, as it did during the first coronavirus restrictions; the employment rate continued to fall. With the reintroduction of many coronavirus restrictions, total hours worked decreased on the quarter.

The number of permanent and temporary vacancies grew rapidly in March 2021 compared with February. Demand for permanent workers rose at the quickest rate in six years, reflecting the anticipated easing of lockdown restrictions. However, labour supply remained unchanged for the second month in a row, as the increase in labour supply from the rise in redundancies was offset by a rise in individuals who were reluctant to seek new roles amid fears over job security.

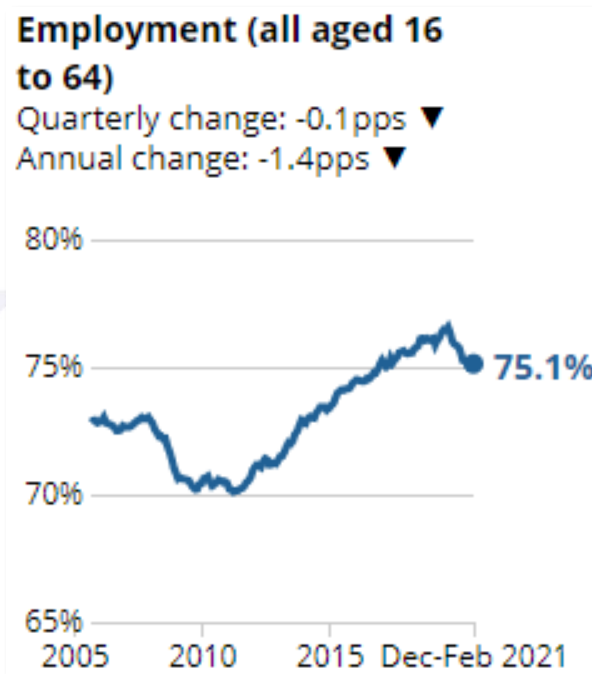
Annual growth in average employee pay continued to strengthen, the growth is driven in part by a fall in the number and proportion of lower-paid employee jobs.

Indicator	Quarterly change	Annual change
<b>Employment</b>	↓	↓
<b>Unemployment</b>	↓	↑
<b>Economic inactivity</b>	↑	↑
<b>Vacancies</b>	↑	↓
<b>Redundancies</b>	↓	↑
<b>Hours worked</b>	↓	↓
<b>Earnings (<i>Total real pay</i>)</b>	↑	↑

<sup>1</sup> Labour market overview, UK: April 2021. The next update will be published on 18 May 2021.

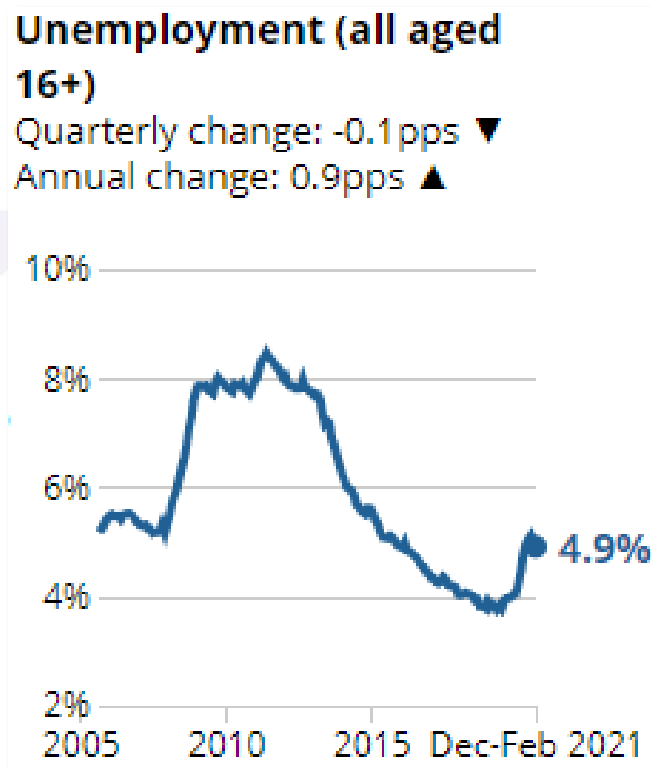
## Employment levels

- **Employment measures the number of people aged 16 years and over in paid work and those who had a job that they were temporarily away from (to which they are expecting to return)**
- **The employment rate is the proportion of people aged between 16 and 64 years who are in employment**
- The estimated employment rate for all people was 75.1%
  - Down 1.4 percentage points over the previous year
  - Down 0.1 percentage points over the previous quarter
- The estimates show 32.43 million people aged 16 years and over in employment
  - Down 643,000 over the previous year
  - Down 73,000 over the previous quarter



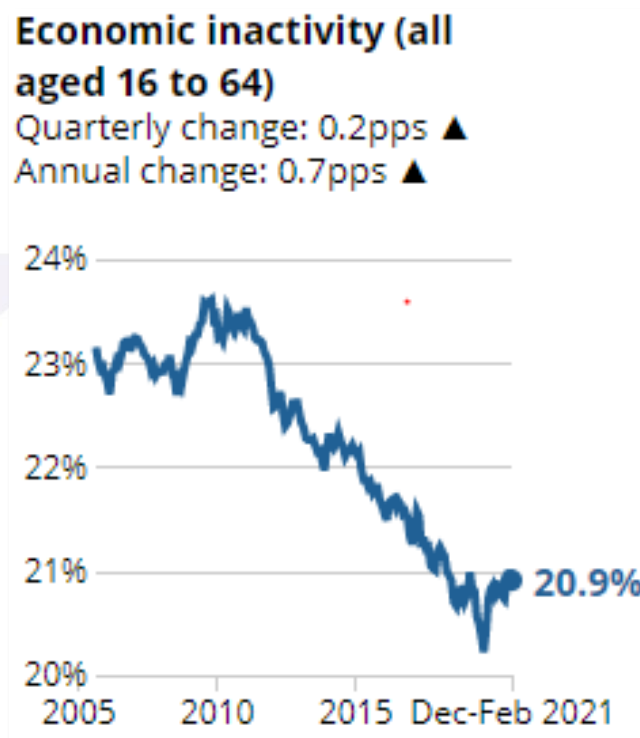
## Unemployment levels

- Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks
- The unemployment rate is not the proportion of the total population who are unemployed, it is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed
- The estimated UK unemployment rate for all people was 4.9%
  - Up 0.9 percentage points over the previous year
  - Down 0.1 percentage points over the previous quarter
- There were an estimated 1.67 million unemployed people
  - Up 311,000 over the previous year
  - Down 50,000 over the quarter – the first quarterly decrease since October to December 2019



## Economic inactivity

- **Economic inactivity measures people without a job but who are not classed as unemployed because they have not been actively seeking work within the last four weeks and/or they are unable to start work within the next two weeks**
- **The headline measure is based on those aged between 16 and 64**
- The estimated economic inactivity rate for people aged between 16 and 64 was 20.9%
  - Up 0.7 percentage points over the previous year – the largest annual increase since February to April 2010
  - Up 0.2 percentage points over the previous quarter
- The estimates show 8.67 million people aged between 16 and 64 not in the active labour force
  - Up 303,000 over the previous year
  - Up 81,000 over the previous quarter



## Vacancies

- Between January and March 2021 there were an estimated 607,000 vacancies
  - Down 178,000 over the previous year
  - Up 17,000 vacancies over the previous quarter
- Within *Electricity & Gas*, the number of vacancies was up 58% over the previous year and up 63% on the previous quarter
- Within *Water supply, sewerage, waste & remediation activities*, the number of vacancies was up 8% from the previous year and up 22% on the previous quarter
- There were 2.8 unemployed people per vacancy – up 1.1 over the previous year, but down 0.2 on the previous quarter<sup>2</sup>
- There were 2.0 vacancies per 100 employees – down 0.6 over the previous year, but up 0.1 on the previous quarter<sup>3</sup>
  - Within *Electricity & Gas* there were 3.8 vacancies per 100 employees (the highest ratio since September 2014) – up 1.4 over the previous year and up 1.5 over the previous quarter
  - Within *Water supply, sewerage, waste & remediation activities*, there were 1.9 vacancies per 100 employees – up 0.1 over the previous year and up 0.3 over the previous quarter
- In the week prior to 9 April 2021, the total volume of online job adverts was up 61% on this time last year<sup>4</sup>
  - Energy/ oil & gas = up 84% on this time last year
  - Engineering = up 60% on this time last year
  - Construction = up 189% on this time last year
- Across the regions:
  - Lowest growth = London – up 44% on this time last year
  - Highest growth = North East – up 102% on this time last year



<sup>2</sup> VACS01: Vacancies and unemployment, ONS.

<sup>3</sup> VACS02: Vacancies by industry, ONS.

<sup>4</sup> Online job advert estimates, ONS.

## Redundancies

- Redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey (LFS) interviews; it does not take into consideration planned redundancies
- During the quarter there were 7.3 redundancies per thousand employees
  - Up by 3.5 per thousand over the previous year
  - Down by 6.8 per thousand over the previous quarter – a record quarterly decrease



- The number of people reporting redundancy in the three months prior to interview had been increasing since June 2020 and peaked in September
- The numbers have gradually decreased since then, but in February 2021 are still at a higher level than before the start of the coronavirus pandemic in March 2020

## Hours worked

- During December 2020 to February 2021, the total actual weekly hours worked in the UK was 960 million
  - Down 92 million on the previous year
  - Down 20 million hours on the previous quarter
- Average actual weekly hours worked saw an increase of 0.6 hours on the quarter, to 29.6 hours



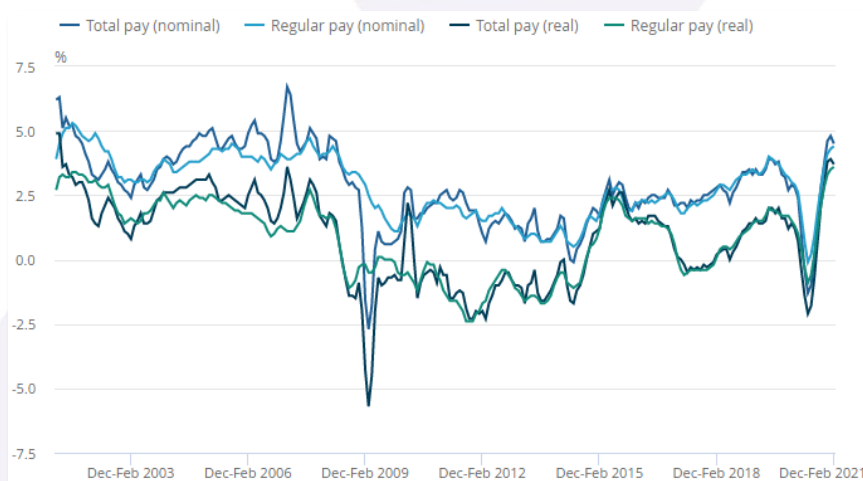
## Earnings

- For the three months to February 2021:
  - Total nominal pay increased by 4.5%
  - Regular nominal pay increased by 4.4%

Average pay growth rates have been affected upwards by a fall in the number and proportion of lower-paid jobs compared with before the coronavirus pandemic

Therefore, it is estimated the net impact of recent job losses is to increase the estimate of average pay by approximately 1.9% – suggesting an underlying wage growth of around 2.5% for both total and regular pay

- Total real pay increased by 3.7%
- Regular real pay increased by 3.6%



### Additional labour market resources

- A range of labour market and skills-related resources are freely available on our website at:  
<https://www.euskills.co.uk/our-services/skills-solutions/sector-skills-research-and-market-intelligence/>
- Member companies of the Energy & Utility Skills group can access additional resources here:  
<https://www.euskills.co.uk/membership/members-area/sector-insights/>
- For further information on the data contained in this summary, or to discuss how the labour market may affect your organisation's talent attraction and retention strategies, please contact:

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