

UK LABOUR MARKET PROFILE

JUNE 2021

This summary of the UK labour market uses data produced by the Office for National Statistics every month. Unless indicated otherwise, this update covers the period from February 2021 to April 2021¹.

The latest figures suggest that the jobs market is showing signs of recovery.

The number of payrolled employees has increased for the sixth consecutive month, and there was a quarterly increase in the employment rate and a quarterly decrease in the unemployment rate. The economic inactivity rate was largely unchanged on the previous quarter.

With the relaxation of many coronavirus restrictions, total hours worked increased on the quarter (although it is still below pre-pandemic levels). The redundancy rate decreased on the quarter and is now similar to pre-pandemic levels.

The number of job vacancies (758,000) is now only 27,000 below the level before the coronavirus (COVID-19) pandemic.

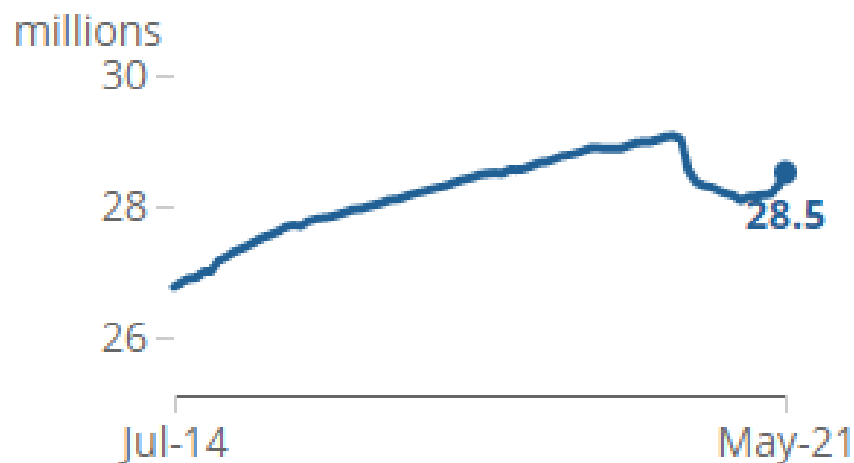
Annual growth in average employee pay has continued to increase, however this is driven by compositional effects of a fall in the number and proportion of lower-paid employee jobs and because the latest month is now compared with April 2020 when earnings were first affected by the coronavirus (COVID-19) pandemic.

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

¹ Labour market overview, UK: June 2021. The next update will be published on 15 July 2021.

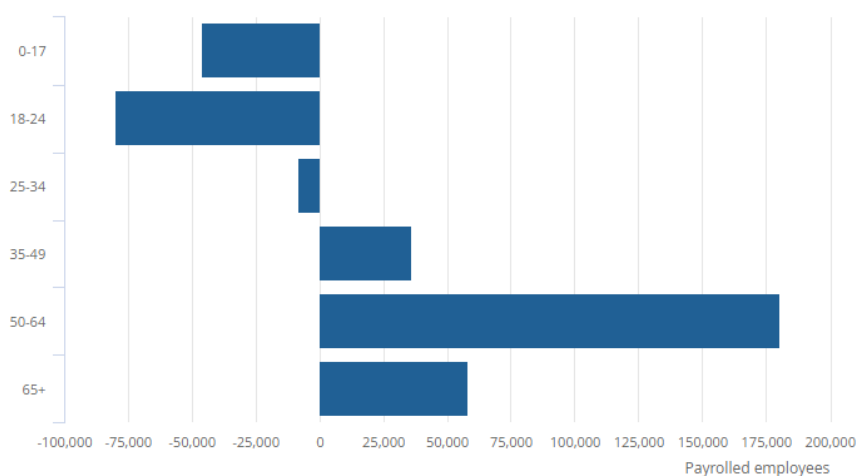
Payrolled Employees

- Estimates of payrolled employees are based on the number of people who are employed in at least one job and are paid through the Pay As You Earn (PAYE) system
- Employees who are furloughed as part of the Coronavirus Job Retention Scheme (CJRS) programme are included in these data
- The number of payrolled employees in May 2021 was 28.5million
 - Up 141,000 over the previous year
 - Up 197,000 over the previous month



- The number of payrolled employees has increased for the sixth consecutive month
- Of the 28.5 million payrolled employees in the UK in May 2021, 95.4% are aged 18 to 64 years

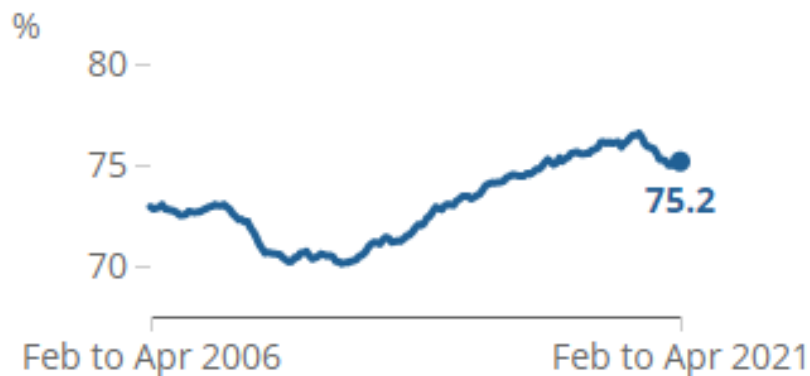
Payrolled employees, absolute change on May 2020, seasonally adjusted, UK, May 2021



- Between May 2020 and May 2021:
 - There was a 126,000 decrease in payrolled employees aged younger than 25 years
 - Payrolled employees aged 50 to 64 years saw an increase of 181,000 employees (a significant factor being the phased increase in State Pension age between March 2019 and September 2020, from 65 to 66 years for both men and women)

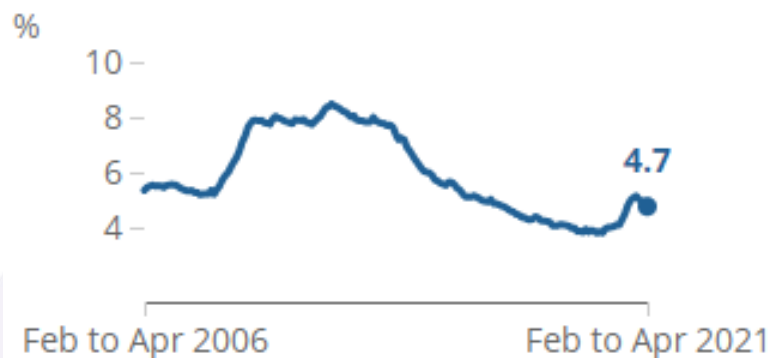
Employment levels

- **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 75.2%
 - Down 0.9 percentage points over the previous year
 - Up 0.2 percentage points 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 4.7%
 - Up 0.7 percentage points over the previous year
 - Down 0.7 percentage points over the previous quarter



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 21.0%
 - Up 0.3 percentage points over the previous year
 - Unchanged over the previous quarter



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 4.0 redundancies per thousand employees
 - An increase of 0.1 per thousand employees over the previous year
 - A record decrease of 7.1 per thousand employees over the previous quarter



Vacancies

- Between March and May 2021 there were an estimated 758,000 vacancies²
 - Up 281,000 (+59%) over the previous year
 - Up 147,000 (+24%) vacancies over the previous quarter
- Within **Electricity & Gas**, the number of vacancies was up 161% over the previous year and up 40% on the previous quarter
- Within **Water supply, sewerage, waste & remediation activities**, the number of vacancies was up 97% from the previous year and up 78% on the previous quarter
- There were 2.1 unemployed people per vacancy – down 0.8 over the previous year, and down 0.6 on the previous quarter³
- There were 2.5 vacancies per 100 employees – up 0.9 over the previous year, and up 0.5 on the previous quarter²
 - Within **Electricity & Gas** there were 4.4 vacancies per 100 employees (the highest ratio ever recorded since records began in 2001)
 - Up 2.7 over the previous year, and up 1.2 over the previous quarter
 - Within **Water supply, sewerage, waste & remediation activities**, there were 2.8 vacancies per 100 employees (the highest ratio ever recorded since records began in 2001)
 - Up 1.4 over the previous year, and up 1.2 over the previous quarter
- In the month of May 2021, there were 820,992 online job postings – up 135% on the same month last year and up 10% on the previous month⁴



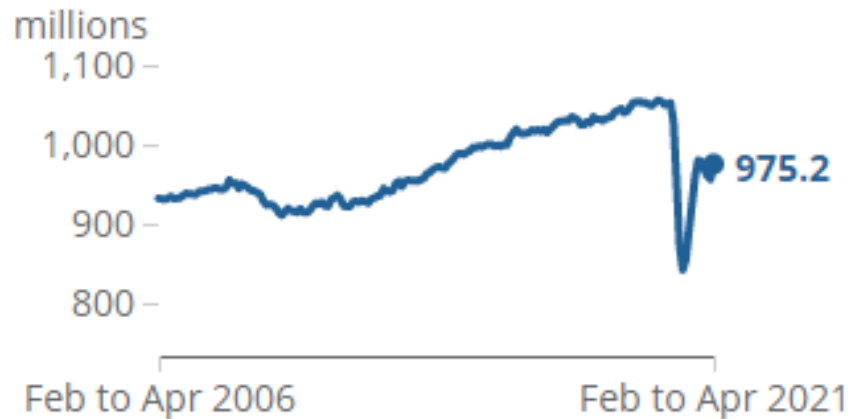
² VACS02: Vacancies by industry, ONS.

³ VACS01: Vacancies and unemployment, ONS.

⁴ Burning Glass Technologies.

Hours worked

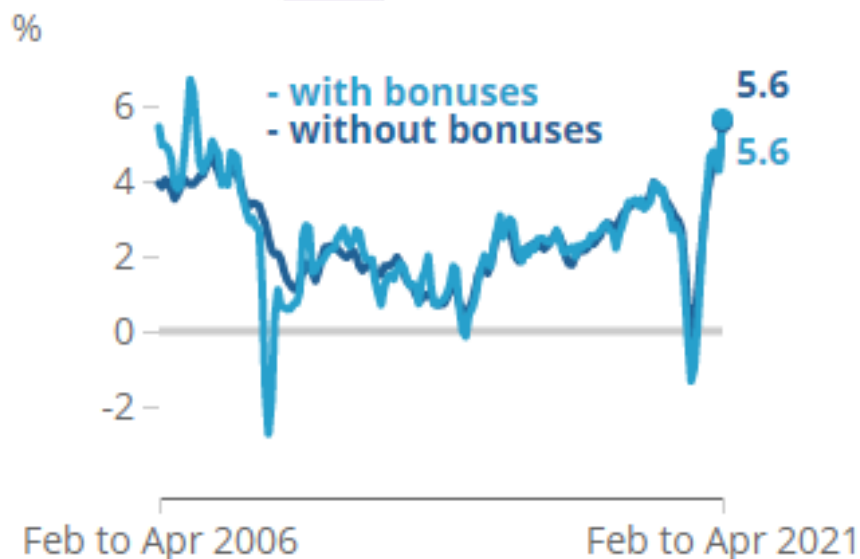
- The total actual weekly hours worked in the UK during the quarter was 975 million
 - Up 22 million hours on the previous year
 - Up 7.2 million hours on the previous quarter



Earnings

- During the quarter:
 - Total *nominal* pay increased by 5.6%
 - Regular *nominal* pay increased by 5.6%

Current average pay growth rates are being affected upwards by a fall in the number and proportion of lower-paid jobs compared with before the coronavirus pandemic; it is estimated the net impact of this accounts for approximately 1.5% of average pay growth



- Total *real* pay increased by 4.4%
- Regular *real* pay increased by 4.4%

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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