

UK LABOUR MARKET PROFILE

MAY 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 January 2021 to March 2021¹.

The latest figures suggest that the jobs market has been broadly stable in recent months, with some early signs of recovery.

Since the start of the pandemic, employment has generally been decreasing and unemployment increasing. However, the latest estimates for January to March 2021 show signs of recovery, with a quarterly increase in the employment rate and quarterly decrease in the unemployment rate. However, with the reintroduction of many coronavirus restrictions, total hours worked decreased on the quarter.

Young people (those aged 16 to 24 years) have been particularly affected by the pandemic. Over the last quarter there was a decrease in the employment and unemployment rates for young people, particularly amongst 16 to 17 year-olds. This suggests that more young people are staying in education and not looking for work, which is supported by the record economic inactivity rate of young people in full-time education.

The number of vacancies reached its highest level since January to March 2020, with most industries displaying increases over the quarter. However, the headline number of job vacancies remains below the pre-pandemic levels.

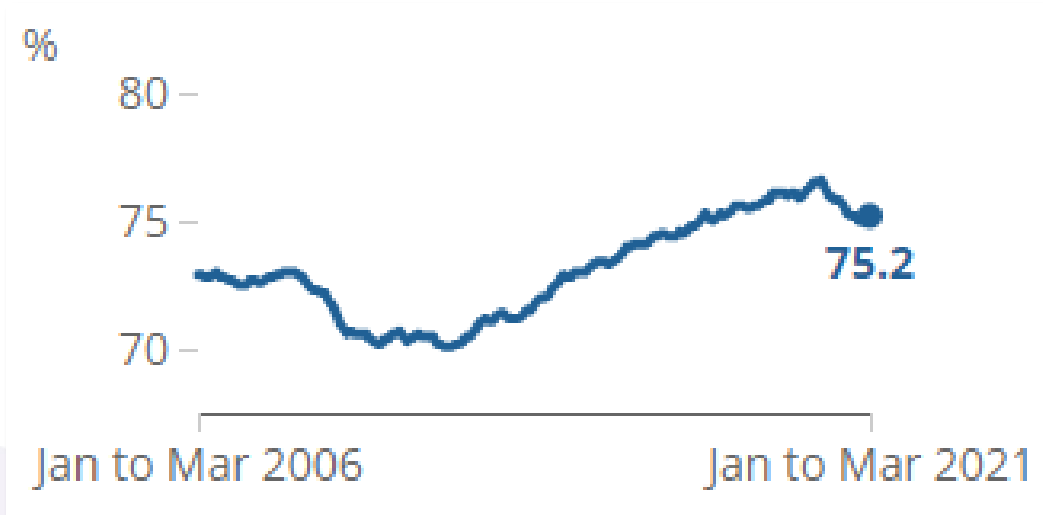
Annual growth in average employee pay continued; driven in part by a fall in the number of lower-paid jobs. Bonus payments were slightly down on last year, causing slower total pay growth rate compared with regular pay growth.

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

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

Employment levels

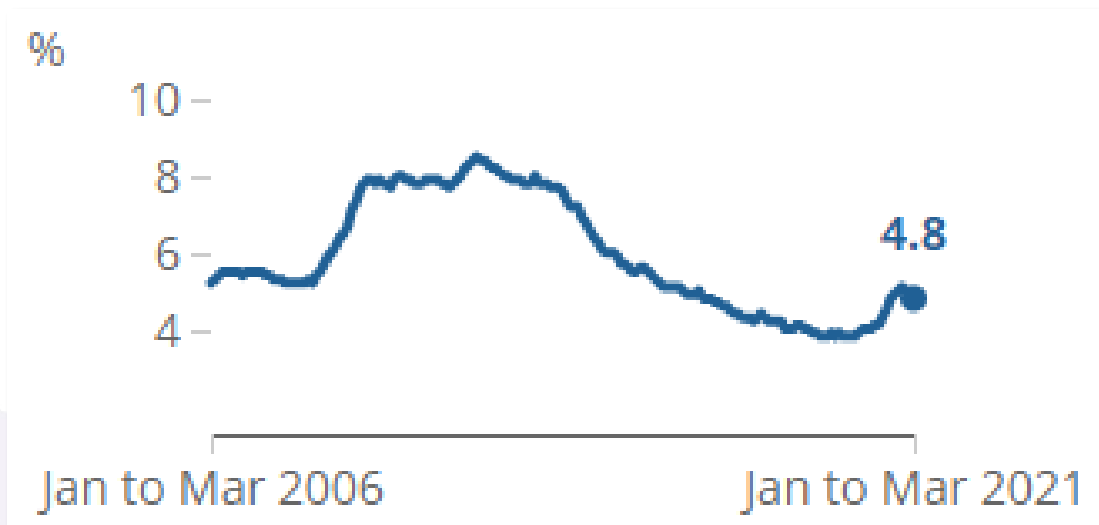
- **Employment measures the number of people aged 16 years and over in paid work and those who had a job that they were temporarily away from (to which they are expecting to return)**
- **The employment rate is the proportion of people aged between 16 and 64 years who are in employment**
- The estimated employment rate for all people was 75.2%
 - Down 1.1 percentage points over the previous year
 - Up 0.2 percentage points over the previous quarter



- The estimates show 32.48 million people aged 16 years and over in employment
 - Down 529,000 over the previous year
 - Up 84,000 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 4.8%
 - Up 0.8 percentage points over the previous year
 - Down 0.3 percentage points over the previous quarter



- There were an estimated 1.62 million unemployed people
 - Up 258,000 over the previous year
 - Down 121,000 over the quarter – the third consecutive monthly decrease

Economic inactivity

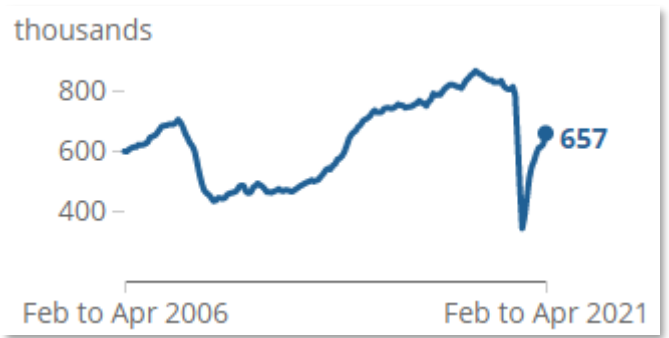
- **Economic inactivity measures people without a job but who are not classed as unemployed because they have not been actively seeking work within the last four weeks and/or they are unable to start work within the next two weeks**
- **The headline measure is based on those aged between 16 and 64**
- The estimated economic inactivity rate for people aged between 16 and 64 was 21.0%
 - Up 0.6 percentage points over the previous year
 - Up 0.1 percentage points over the previous quarter



- The estimates show 8.71 million people aged between 16 and 64 not in the active labour force
 - Up 255,000 over the previous year
 - Up 48,000 over the previous quarter

Vacancies

- Between February and April 2021 there were an estimated 657,000 vacancies
 - Up 20,000 over the previous year
 - Up 48,000 vacancies over the previous quarter
- Within *Electricity & Gas*, the number of vacancies was up 80% over the previous year and up 42% on the previous quarter
- Within *Water supply, sewerage, waste & remediation activities*, the number of vacancies was up 24% from the previous year and up 31% on the previous quarter
- There were 2.5 unemployed people per vacancy – up 0.4 over the previous year, but down 0.3 on the previous quarter²
- There were 2.2 vacancies per 100 employees – up 0.1 over the previous year, and up 0.2 on the previous quarter³
 - Within *Electricity & Gas* there were 3.9 vacancies per 100 employees (the highest ratio ever recorded since records began in 2001) – up 1.7 over the previous year and up 1.1 over the previous quarter
 - Within *Water supply, sewerage, waste & remediation activities*, there were 2.1 vacancies per 100 employees – up 0.4 over the previous year and up 0.5 over the previous quarter
- In the week prior to 7 May 2021, the total volume of online job adverts was up 158% on this time last year⁴
 - Energy/oil & gas = up 240% on this time last year
 - Engineering = up 219% on this time last year
 - Construction = up 530% on this time last year
- Across the regions:
 - Lowest growth = Northern Ireland – up 91% on this time last year
 - Highest growth = North East – up 233% on this time last year



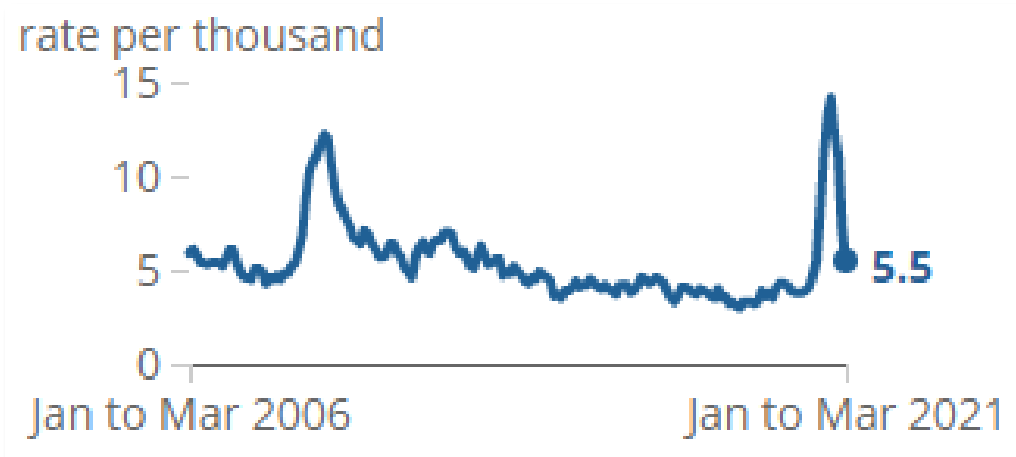
² VACS01: Vacancies and unemployment, ONS.

³ VACS02: Vacancies by industry, ONS.

⁴ Online job advert estimates, ONS.

Redundancies

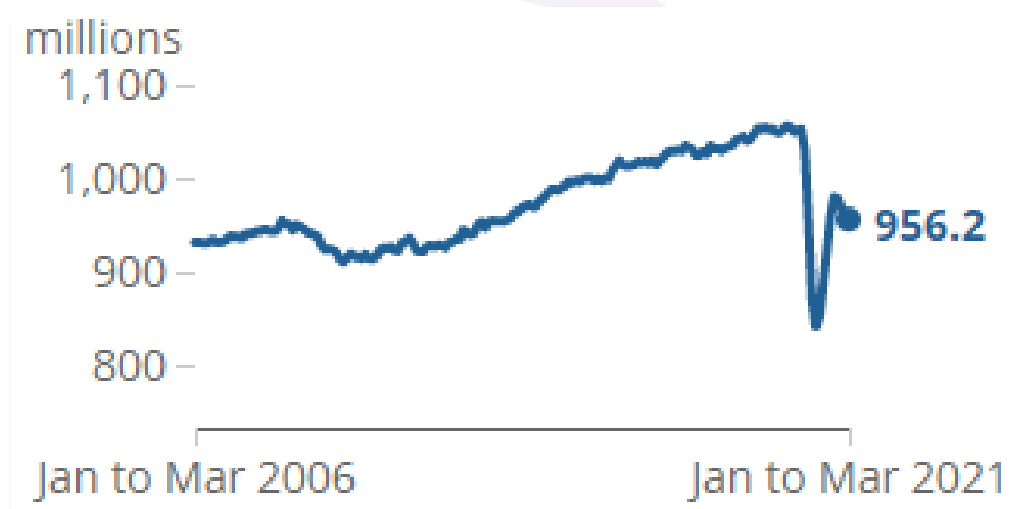
- Redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey (LFS) interviews; it does not take into consideration planned redundancies
- During the quarter there were 153,000 – 5.5 redundancies per thousand employees
 - Up by 46,000 over the previous year (+1.7 per thousand employees)
 - Down by 191,000 over the previous quarter (-6.8 per thousand employees)



- This is the fourth consecutive month that redundancies have decreased (from a peak of 395,000 in September to November 2020) – although they have yet to fall to pre-pandemic levels

Hours worked

- During January to March 2021, the total actual weekly hours worked in the UK was 956 million
 - Down 73 million on the previous year
 - Down 23 million hours on the previous quarter



- The average actual weekly hours worked fell decreased by 1.8 hours on the previous year and decreased by 0.8 hours on the previous quarter

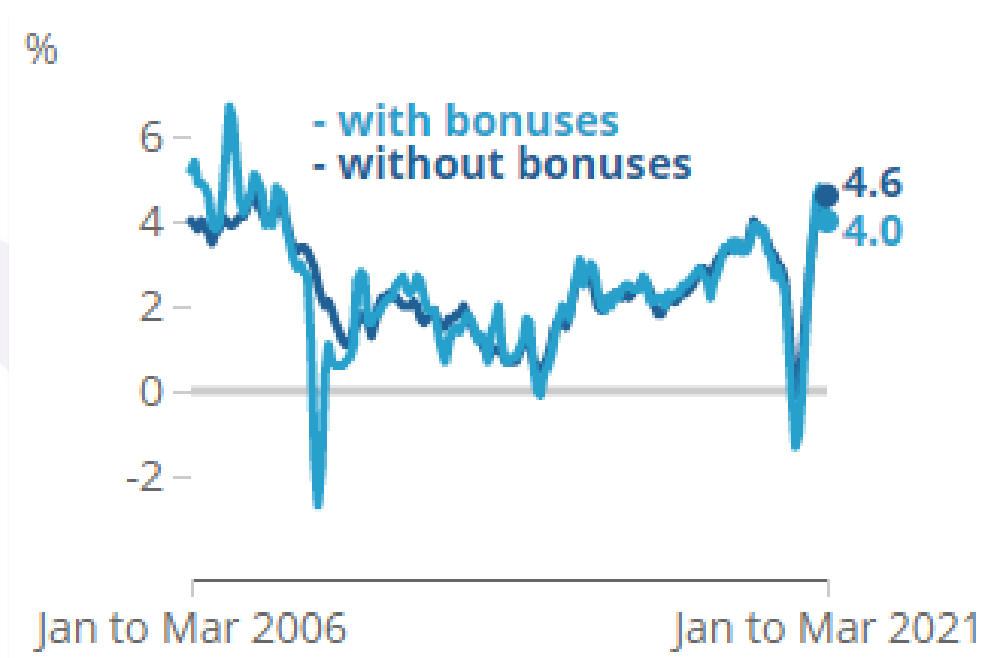
Earnings

- For the three months to March 2021:
 - Total nominal pay increased by 4.0%
 - Regular nominal pay increased by 4.6%

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 1.7% – suggesting an underlying wage growth of around 2.5% for total pay and 3.0% for regular pay

- Total real pay increased by 3.6%
- Regular real pay increased by 3.5%



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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