

Job vacancies hit record high as post-pandemic labour market continues recovery

The number of job vacancies hit a record high of 1.1 million in the three months to September, as the post-pandemic labour market continues to recover.

The Office for National Statistics said the number of job vacancies increased by 318,000, with all industry sectors above or equal to the levels seen between January to March last year, before the UK's first coronavirus lockdown.

Accommodation and food services vacancies increased by nearly 50,000 (59%).



Why record vacancies may not be good news for jobseekers or businesses

The number of payroll employees was also up by 207,000 between August and September to a record 29.2 million.

This was 122,000 higher than levels seen before the pandemic struck in February 2020.

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Darren Morgan, director of economic statistics at the ONS, said: “The jobs market has continued to recover from the effects of the coronavirus, with the number of employees on payroll in September now well exceeding pre-pandemic levels.”

He added: “The latest earnings continue to show growth on the year, even after taking inflation into account.”

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“However, the figures are still being affected by special factors that make it hard to read underlying trends.”

Chancellor Rishi Sunak said: “As we move to the next stage of our support, it’s encouraging to see our Plan For Jobs working – the number of expected redundancies remained very low in September, there are more employees on payrolls than ever before and the unemployment rate has fallen for eight months in a row.

“We remain committed to helping people find great work, with an extra £500m to support hundreds of thousands back into employment and help the lowest paid to progress in their careers.”

The UK’s employment rate was up 0.5 percentage points on the quarter to 75.3%, while the unemployment rate was down 0.4 percentage points to 4.5%.

Growth in average total pay (including bonuses) was 7.2% and regular pay (excluding bonuses) was 6.0% among employees for the three months June to August 2021.

Tony Wilson, director at the Institute for Employment Studies, said: “We estimate that there’s nearly a million fewer people

in the labour market than on pre-crisis trends, with this being driven particularly by fewer older people in work and more young people in education.

“These shortages are holding back our economic recovery, and won’t fix themselves by just exhorting firms to pay people more.

“Instead we need to do far better at helping some of the six million people who are outside the labour market because of ill health, caring or full-time study to get back into work.”

Matthew Percival, programme director for skills and inclusion at the Confederation of British Industry, said: “Companies have found hiring difficult this autumn and the official data is beginning to tell the same story, with the number of people on payroll exceeding pre-COVID highs and record vacancies.

“It’s welcome that government has set up a new taskforce chaired by Sir David Lewis to advise on the impact of supply chain disruption and labour shortages on the recovery.

“Business and government working together is the best way to create the high-wage, high-skill, high-investment, high-productivity economy we all want to see.”

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