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Market Insights Report

August/September 2025

The latest labour market data presents a mixed picture. According to the ONS, employment rates have risen, driven largely by an increase in full-time employees, while unemployment and job competition are also edging upward. In contrast, CIPD data points to persistent hiring challenges, with a significant proportion of employers continuing to report hard-to-fill vacancies — particularly in sectors such as construction and social care. These seemingly contradictory trends reflect a wider hesitance in the market, where organisations are balancing growth ambitions against rising costs and an uncertain economic backdrop.

At Omni we are seeing some roles and industries defying this trend including those in Engineering, particularly in tech and infrastructure roles; along with AI, data science, and machine learning roles. We are also seeing a continued shift toward skills-based hiring to help widen talent pools in those hard to fill roles.

Our insights aim to help organisations navigate this complexity with confidence and clarity.

Louise Shaw
MANAGING DIRECTOR AT OMNI

Recruitment Trends

CIPD LABOUR MARKET OUTLOOK

The labour market outlook remains fragile. The net employment balance is stagnant near historic lows, showing that while widespread redundancies are not dominant, employers' appetite for expansion is heavily constrained by rising costs and uncertainty.

Net Employment Balance	Public Sector Employment intentions	Private Sector Employment intentions
Stable at +8 to +9	Down from -4 to -6	Up from +11 to +12

Net employment balance is stable at **+9**, close to the record low (**+8** last quarter), apart from the pandemic period.

The difference between employers expecting there will be an increase in staff levels and those expecting there will be a decrease in the next three months.

Public sector employment intentions fell further (**-6**, from **-4** last quarter). One in four employers (**25%**) expect staff levels to fall. Recruitment intentions remain high, though (**77%**).

Private sector employment intentions steady at **+12** (up slightly from **+11**, which was a record low outside the pandemic). Large private employers: **29%** expect staff growth, **17%** expect reductions. Medium & SMEs: **24%** expect growth, **12%** expect staff levels to fall.

Stats are from CIPD

Job Vacancies

VACANCIES CONTINUE TO SHRINK

Hard-to-fill vacancies remain a challenge for employers, with **31%** reporting difficulties, though this is slightly down from **33%** in the previous quarter. The issue is most pronounced in Construction (**45%**) and Social Care (**43%**), which continue to have the highest incidence of hard-to-fill roles.

Overall vacancy numbers fell by **44,000** (**5.8%**) to **718,000** between May and June, representing a year-on-year decrease of **145,000**. At the same time, competition for jobs is increasing, with **2.3** unemployed people per vacancy compared with **2.1** in the last quarter.

Hard-to-fill vacancies

43% Social Care	45% Construction
36% Transport and Storage	35% Manufacturing
24% Human Health Activities	23% Care, social work and other helathcare activities
42% Compulsory Education	41% Non-compulsory Education

Employment Overview

EMPLOYMENT RATE STABLE, BUT CHALLENGES REMAIN

Between April and June 2025, the UK employment rate rose by **0.3** percentage points to **75.3%**, while the unemployment rate saw a slight increase of **0.1** percentage points, reaching **4.7%**.

Over the same period, the economic inactivity rate fell by **0.4** percentage points to **21.0%** compared with January to March 2025.

The overall rise in employment during the latest quarter was largely driven by an increase in the number of full-time employees.

Employment increase of 0.3% to **75.3%**

Unemployment increase of 0.1% to **4.7%**

Redundancy Outlook

REDUNDANCY INTENTIONS REMAIN ELEVATED

According to CIPD, around a quarter of employers (**23%**) are planning redundancies in the three months up to October 2025, broadly consistent with the levels reported over the past two quarters (**25%** and **24%**).

The likelihood of redundancies is fairly consistent across private, public, and voluntary sectors.

Redundancies rate down to **3.6**

ONS data shows that the actual redundancy rate fell in April–June 2025, down to **3.6** per **1,000** employees

Pay Trends

MEDIAN EXPECTED BASIC PAY INCREASE

Private and public sectors
Stable at **3%**

Voluntary sectors
Down from 3% to **2.5%**

Stable at **3%** overall for the fifth consecutive quarter, applying across both public and private sectors.

Trend
Among employers looking to increase, decrease or freeze pay in the next 12 months, the median expected basic pay increase for the next 12 months remains at **3%** overall, for the fifth consecutive quarter. Expected pay awards held at a historic high of **5%** between winter 2022/23 and autumn 2023, before falling to **4%** in winter 2023/24 and spring 2024.

The median expected pay award remains at **3%** in the private and public sectors. It has fallen in the voluntary sector from **3%** last quarter to **2.5%** this quarter.

Stats are from CIPD

How Omni Can Help

Making the right workforce decisions starts with insight. Our Recruitment and Strategy services turn data into action, helping organisations forecast demand, understand skills gaps, and strengthen their employer brand. The result is a clear, practical talent strategy that meets today's hiring challenges while laying the foundations for future growth.

When resources are stretched, our Recruitment Process Outsourcing (RPO) solutions provide the extra capacity. From fully managed recruitment to embedded support within your team, we bring the expertise, tools, and flexibility to scale hiring up or down as needed. This means you can control costs, improve efficiency, and secure the talent you need without the overheads — giving your organisation the resilience to thrive in a shifting market.

In this environment, the ability to scale recruitment activity up or down quickly, without sacrificing quality or candidate experience, is essential. Flexible, data-driven recruitment solutions not only enable employers to respond to shifting market dynamics but also ensure resources are used effectively.

Get in Touch

Get in touch with us today to talk through your resourcing needs. Our award-winning RPO and talent strategy experts are always available.

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