

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 Al, 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.

navigate this complexity with confidence and clarity.

Our insights aim to help organisations

MANAGING DIRECTOR AT OMNI

Louise Shaw

CIPD LABOUR MARKET OUTLOOK

Recruitment Trends

near historic lows, showing that while widespread redundancies are not dominant, employers' appetite for expansion is heavily constrained by rising costs and uncertainty.

The labour market outlook remains fragile. The net employment balance is stagnant



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

stable at +9, close to the

there will be a decrease in the next three months.





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

VACANCIES CONTINUE TO SHRINK

Job Vacancies

Hard-to-fill vacancies remain a challenge

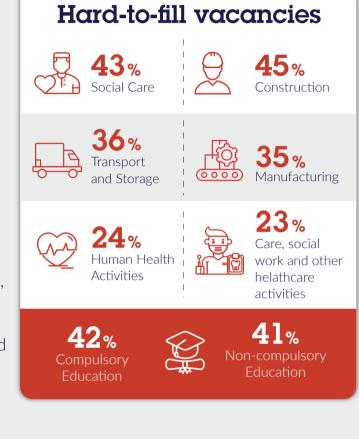
for employers, with 31% reporting

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.

Employment Overview



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

Employment

increase of 0.3% to

21.0% compared with January to March 2025.

EMPLOYMENT RATE STABLE, BUT CHALLENGES REMAIN

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

redundancies in the three months up to October 2025, broadly consistent with

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

the levels reported over the past two quarters (25% and 24%).





Unemployment

increase of 0.1% to

voluntary sectors. Redundancies **(**)

Pay Trends

rate down to

3.6

MEDIAN EXPECTED BASIC PAY INCREASE

Private and public sectors

Stable at

Voluntary sectors

growth.

Down from 3% to 2.5% Stable at **3%** overall for the fifth consecutive quarter, applying across

and spring 2024.

quarter to 2.5% this quarter.

without sacrificing quality or candidate experience, is essential. Flexible,

market dynamics but also ensure resources are used effectively.

data-driven recruitment solutions not only enable employers to respond to shifting

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

The median expected pay award remains at 3% in the private and

public sectors. It has fallen in the voluntary sector from 3% last

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

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

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,

Get in Touch Get in touch with us today to talk through

available.

your resourcing needs. Our award-winning

RPO and talent strategy experts are always

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