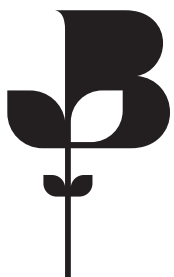


BRITISH CHAMBERS OF COMMERCE

QUARTERLY RECRUITMENT OUTLOOK | Q2 2020



British
Chambers of
Commerce

Totaljobs

WELCOME TO THE Q2 2020 QUARTERLY RECRUITMENT OUTLOOK

The British Chambers of Commerce (BCC) Quarterly Recruitment Outlook (QRO), in partnership with Totaljobs, is the UK's largest independent survey of labour market conditions, based on more than 7,400 responses from businesses across the UK.

The report's findings reveal the impact Coronavirus has had on the jobs market, with the two organisations calling for further action from government to protect businesses and jobs. 29% of businesses expect to decrease the size of their workforce in the next three months before the government's Job Retention Scheme ends, the highest on record. 59% will keep headcount the same and just 12% will look to increase the size of their workforce.

BCC and Totaljobs have called on the government for further action to limit the damage to the UK labour market, including reducing the overall cost of employment, through a temporary cut in employer National Insurance Contributions and support to upskill and reskill employees as businesses adapt to change.



Hannah Essex
Co-Executive Director,
British Chambers of
Commerce

Our research demonstrates the Chancellor's focus on protecting, supporting and creating jobs is exactly what's needed to drive the UK's economic recovery in the coming months.

Many businesses are suffering from an historic cash crunch and reduced demand, meaning firms will still face tough decisions despite welcome interventions made in the Summer Statement.

The government should consider additional support for employers before the Autumn Budget to reduce the overall cost of employment and prevent substantial redundancies. Measures could include a temporary cut in employer National Insurance Contributions and support to upskill and reskill employees as businesses adapt to change.



Jon Wilson
CEO,
Totaljobs

The latest figures from the Quarterly Recruitment Outlook make stark reading, especially when compared to what we had grown accustomed to in previous years. It is clear that business confidence is low, with many being forced to make difficult decisions when it comes to their workforce.

However, the Chancellor's summer statement outlined a number of measures that will not only support jobs but help create new roles in the economy and give confidence to businesses trying to plan for the future. The interim cuts in stamp duty and VAT should give the hard-hit housing and hospitality sectors a much-needed boost.

It's clear that moving forward, adaptability remains paramount for businesses and people, with upskilling, reskilling and utilising transferable skills all key factors during this recovery period. To protect jobs and further ease the burden facing businesses, we join the British Chambers of Commerce in their call for a cut in employer National Insurance. We also urge the Chancellor to continue to consider the needs of the sectors and demographics most impacted by Covid-19, to protect people's livelihoods and help the jobs market and wider economy pick up.

QUARTERLY RECRUITMENT OUTLOOK | Q2 2020

The Quarterly Recruitment Outlook (QRO) for Q2 2020 found the percentage of businesses attempting to recruit in the previous quarter fell to 25%, the lowest level on record. Of the firms that attempted to recruit, 65% faced recruitment difficulties, particularly for skilled manual/technical or managerial roles.

In Q2 2020...

25%

of businesses said they attempted to recruit staff, compared with 55% in Q1 2020

Of these businesses...

65%

said they experienced recruitment difficulties, compared with 75% in Q1 2020

Of the businesses facing recruitment difficulties...

44%

faced difficulties for skilled manual or technical roles

48%

faced difficulties for professional or managerial roles

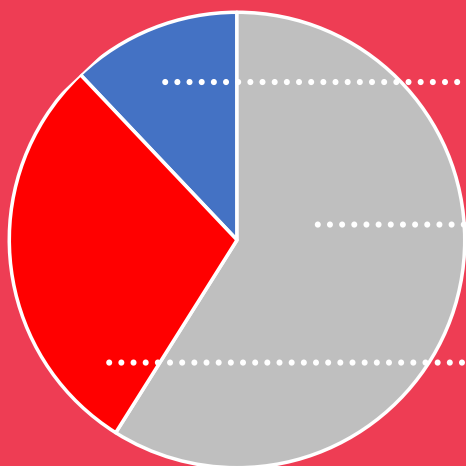
16%

faced difficulties for clerical roles

22%

faced difficulties for semi or unskilled roles

Employment growth expectations over the next three months



12% of businesses expect their workforce to increase

59% of businesses expect their workforce to remain constant

29% of businesses expect their workforce to decrease

The British Chambers of Commerce surveyed more than 7,400 business people from across the UK online between 18 May and 12 June 2020. 96% of business surveyed were SMEs (firms with fewer than 250 employees).

SECTOR BREAKDOWN

The figures illustrate the sectoral impacts that the Covid-19 lock-down has had. While firms from all sectors saw a sharp decrease in attempted recruitment, consumer facing businesses such as retailers were the least likely to have recruited. These firms were also more likely to expect to reduce the size of their workforce in the next three months.

In the **CONSTRUCTION*** sector...

30% of firms attempted to recruit

71% reported recruitment difficulties

*357 respondents

In the **TRANSPORT AND DISTRIBUTION*** sector...

27% of firms attempted to recruit

59% reported recruitment difficulties

*207 respondents

In the **RETAIL/WHOLESALE*** sector...

20% of firms attempted to recruit

56% reported recruitment difficulties

*540 respondents

“Without the furlough scheme our business would have struggled to keep everyone.”

Service sector firm with 20 employees, member of Kent Invicta Chamber of Commerce

“We have staffing concerns when re-opening due to the possible down turn in footfall in shopping centre”

Retailer with 10 employees, member of Herefordshire & Worcestershire Chamber of Commerce

COMPANY SIZE BREAKDOWN

The QRO data reveal smaller firms are far less likely than larger firms to have attempted to recruit in Q2. However, while more than half of large businesses attempted to recruit, this is a fall from 90 per cent the previous quarter.



“We’ve reduced staff by 25%. Further reductions are expected unless sales start to improve significantly.”

Manufacturer with 248 employees, member of Coventry & Warwickshire Chamber of Commerce

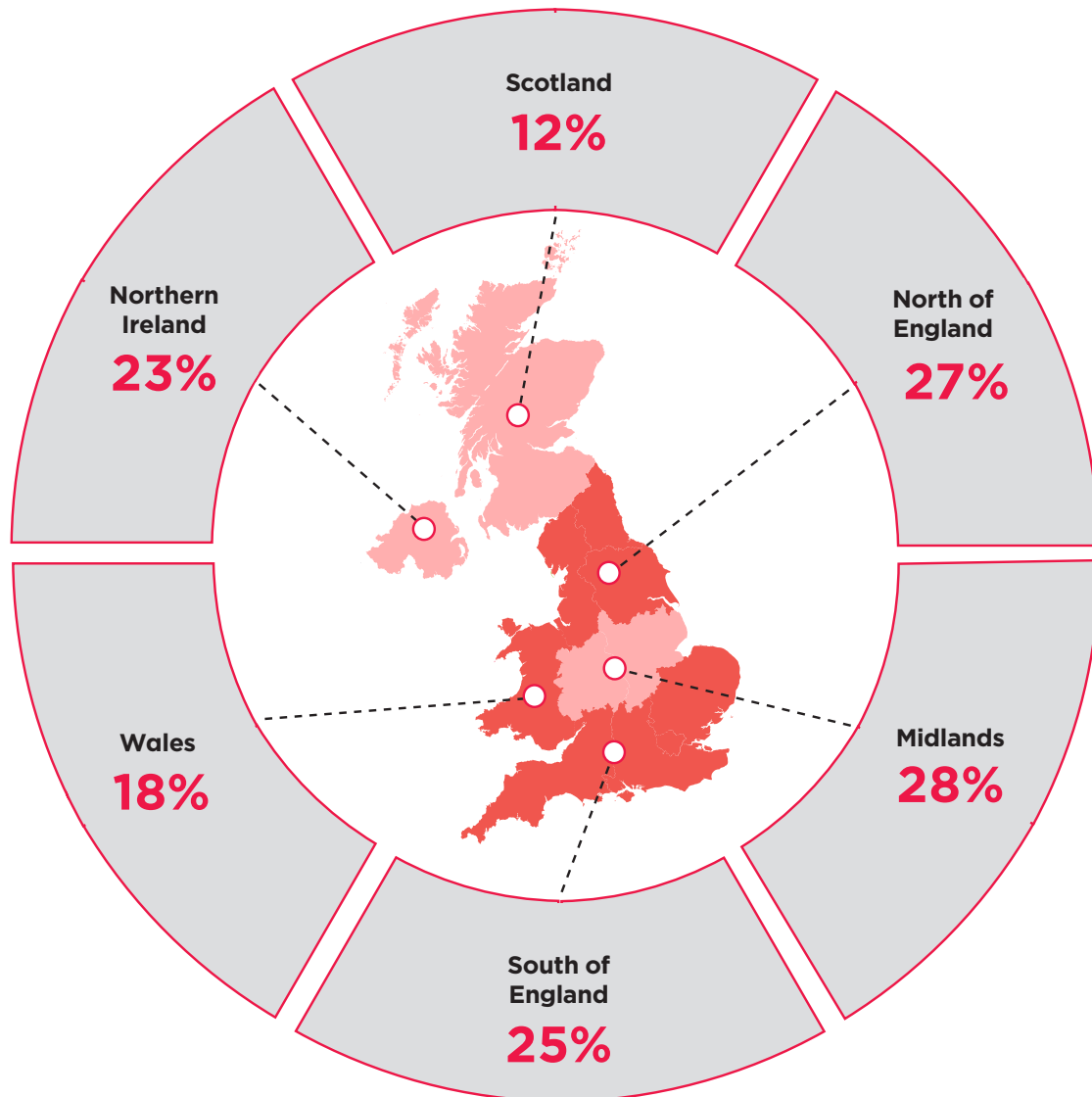
“I am starting to get concerned about the need to make staff redundant when the furlough period ends and the costs of these redundancies.”

Manufacturer with 44 employees, member of Dundee & Angus Chamber of Commerce

REGIONAL BREAKDOWN

The below chart is a geographical breakdown - by broad UK region and nation - of the businesses attempting to recruit. In Q2 2020, attempted recruitment fell to historic lows, with 25% of firms seeking to recruit, compared to 55% in Q1 2020. While every region saw a decline, firms in Scotland and Wales were less likely than other parts of the UK to have attempted to recruit in the quarter.

The percentage of businesses attempting to recruit in Q2 2020 by UK nation and region:



Looking ahead, the percentage of firms expecting growth in their workforce over the next three months saw a historic decline across all UK regions. Firms in Northern Ireland were least likely to expect growth in their workforce (8%) while firms in Midlands were more likely to expect growth (14%).

British Chambers of Commerce

The British Chambers of Commerce represents and campaigns for business. Our roots are local, but our reach is global. We're owned by, and work for, a network of Chambers of Commerce that champion and support our members all across the UK and in countries and markets around the world.

Our unique perspective gives us unparalleled insight into British business communities - every sector, every size, everywhere. They trust us to be their advocates, and we're passionate about helping them trade and grow. Working together with Chambers, we drive change from the ground up - and our bottom line is helping companies, places and people achieve their potential.

For more information about this report, contact:

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Visit the BCC website: www.britishchambers.org.uk or on Twitter [@britishchambers](https://twitter.com/britishchambers).

Totaljobs

Totaljobs offers employers of all shapes and sizes access to the Totaljobs network. With a mix of generalist and specialist job boards, crossing the breadth and depth of the UK workforce, the Totaljobs network consists of Totaljobs, Jobsite, CareerStructure, City Jobs, eMedCareers, Just Engineers and RetailChoice. These brands provide access to 19 million searchable CVs, and record over 4 million applications from qualified jobseekers every month.

With a head office in London and offices in Birmingham, Havant, Cardiff, Leeds, Manchester, Nottingham and Glasgow, Totaljobs Group also consists of Caterer.com, CatererGlobal, CWJobs and Milkround. Together these brands are the UK division of StepStone Group, one of the world's largest e-recruitment businesses.

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