

Labour and skills market in the UK economy

Introduction

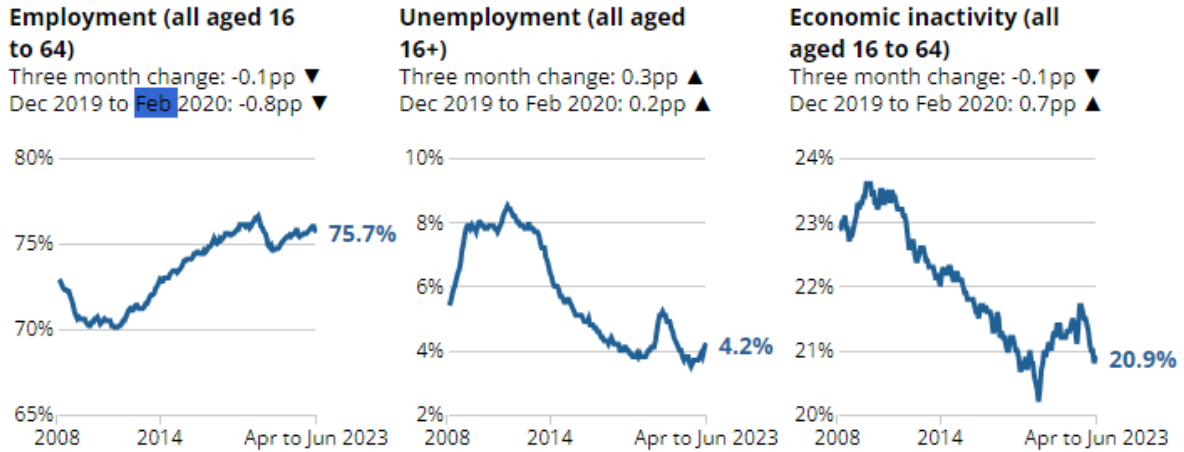
This Institute of Hospitality market intelligence brief presents a range of research and data sources to provide our members with an overview of the developing picture of the labour and skills market in the UK.

Labour Market

- **Employment rate** - Aged 16 to 64 seasonally adjusted (Apr - June 2023) 75.7% (ONS). Up 0.2% on previous year (ONS)
- **Unemployment rate** - Aged 16+ seasonally adjusted (Apr - June 2023) 4.2% up 0.4pp on previous year (ONS)
- The estimate of **payrolled employees** for July 2023 shows a monthly increase, up 97,000 on the revised June 2023 figure, to 30.2 million (ONS)
- In May to July 2023, the estimated number of **vacancies** fell by 66,000 on the quarter to 1,020,000. Vacancies fell on the quarter for the 13th consecutive period. (ONS).
- Annual growth in **regular pay** (excluding bonuses) was 7.8% in April to June 2023, this is the highest regular annual growth rate we have seen since comparable records began in 2001 (ONS).
- There were 160,000 working days lost because of **labour disputes** in June 2023. Over half of the days lost because of labour disputes in June 2023 were in the Health and Social Work sector (ONS).
- Accommodation & food service activities **vacancies** May 2023 - July 2023 is 124,000 (down from 171,000 for the same period in 2022) Source: ONS Vacancy Survey (ONS).
- In Quarter 2 (Apr to Jun) 2023, preliminary estimates of UK output per hour worked were 0.1% above the same quarter a year ago, and 1.4% above their pre-coronavirus (COVID-19) pandemic level (ONS).
- In Quarter 2 2023, preliminary estimates of UK output per worker were flat (0.0%) compared with the same quarter a year ago (ONS).

- Relative to the same quarter a year ago, the administrative services industry made the biggest positive industry contribution to annual productivity growth (ONS).

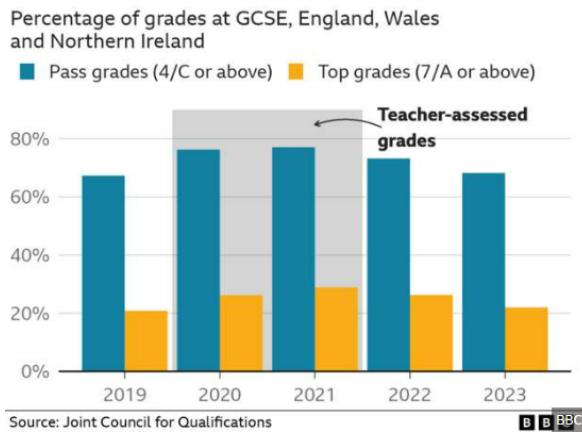
UK employment, unemployment, and economic inactivity rates, seasonally adjusted, between April to June 2008 and April to June 2023



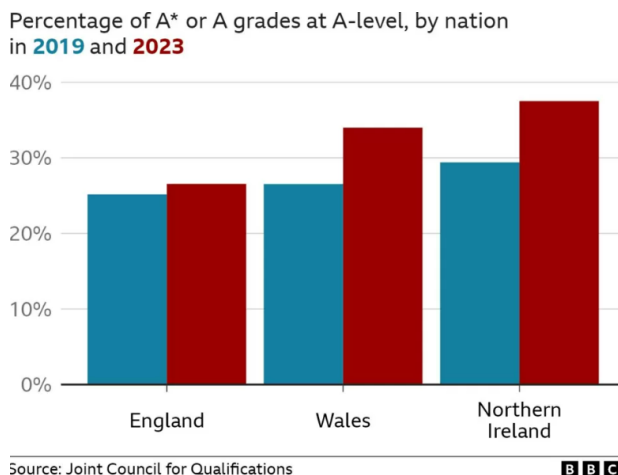
Source: Labour Force Survey from the Office for National Statistics

Skills Market

- **GCSE** passes in England, Wales and Northern Ireland have fallen for a second year running – with 68.2% of all grades marked at grades 4/C.
- That’s more or less back to where it was in 2019 - the last year exams were sat before Covid - when it was 67.3%.
- It's a substantial fall from recent years - it was 73.2% in 2022 and 77.1% in 2021.



- **A Level Results** - The proportion of pupils receiving A or A* grades was 27.2% - down from a peak of 44.8% during the pandemic.
- These were the first formal exams many students had taken, because GCSEs did not go ahead as normal during the pandemic.
- The drop in the proportion of pupils getting A or A* grades was steepest in England - where 26.5% of students got the top grade, down from 35.9% in 2022.
- In Wales, the figure was 34%, down from 40.9%.
- In Northern Ireland it was 37.5%, down from 44%.



- **T levels** The overall pass rate for the 3,448 students taking the qualification was 90.5% (3,119):
 - 69.2% (2,387) achieved a merit or above
 - 98.7% of learners achieved an 'E' or above in their core component
 - 94.9% of learners achieved a pass or above in the occupational specialism
- **Scotland** - National 4s and 5s, Highers and Advanced Highers. The proportion of pupils awarded an A, B or C at Higher has fallen from 78.9% in 2022 and 89.3% in 2020 to 77.1% this year. The pass rate was 74.8% in 2019.
 - It was a similar picture for National 4s and 5s and for Advanced Highers.
 - The pass rate for National 5 qualifications was 78.8%, which was down from 80.8% in 2022 and 85.8% in 2021 but up from 78.2% in 2019.
 - At Advanced Higher level, 79.8% passed. That was down from 81.3% in 2022 and 93.1% in 2020. The pass rate was 79.4% in 2019.
- Fewer UK 18-year-olds have gained a place at their first-choice university following attempts to reverse the grade inflation of the past few years.
- **UCAS data** for the 2023 results day shows that 230,600 UK 18-year-olds have been accepted on to courses – down slightly from last year, and 6 per cent from the peak of 245,330 in 2021.
- Last year, almost 67,000 students found university places through clearing, including 34,875 18-year-olds. Clearing is open now and closes in October.
- **Apprenticeships** - 740,400 apprentices in England last year, that is higher than years with a lot of Covid disruption, but lower than it was in the mid-2010s.
- In England, 53.4% of apprentices completed and passed, a final assessment last year - well below the government's 67% target by the end of 2024-25.

Source: BBC News, THE, FE weekly, ONS

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