

## Labour Market Update – October 2022

### Labour Market Overview

The latest [ONS Labour Market Overview](#) reported:

1. 3.5% or 1.18 million people were unemployed, a 0.3% decrease on previous quarter and lowest since 1973
2. Employment rate decreased slightly to 75.5%
3. 8.99 million people are economically inactive, up 0.6% on last quarter. 80% of the economically inactive do not want a job. Record increase in economic inactivity due to long term health conditions, highest for at least 30 years at 2.49 million
4. Vacancies fell again to 1.24 million, the third consecutive quarterly fall. However there is a record low of 0.9 unemployed people per vacancy
5. Record level of payrolled employees at 29.7 million, 730,000 above pre-pandemic levels
6. Growth in total pay was 6% and regular pay was 5.4%, but both fell in real terms by 2.4% and 2.9% respectively.
7. 5.74 million people were claiming Universal Credit, of which 1.4 million were searching for work
8. Redundancies rose slightly to 2.4 per thousand employees but still well below pre-pandemic levels

The Institute for Employment Studies briefing - [Labour Market Statistics October 2022](#) notes that unemployment has continued its downward trend, with employment also down but economic inactivity has risen significantly to 21.7%. The IES are calling on the government to extend the Restart Scheme, improve access to specialist health and worker related support and increased investment in skills.

[Research](#) from Imperial College published in July 2022 found that of the long-term sick:

1. 52% were economically active (3m employed and 0.3m unemployed)
2. 48% were economically inactive (3.1m)
3. 88% of the rise in economic inactivity is due to rise in long term sick.

The latest CBI annual employment trends survey reports that shortages of labour are having a material effect on firms' ability to operate at full capacity:

1. 46% that faced labour shortages in the last 12 months were unable to meet demand
2. 72% said the UK has become a less attractive place to invest/do business
3. 75% saw labour shortages as a threat to labour market competitiveness
4. 70% thought access to labour would still be a threat to labour market competitiveness in 5 years' time
5. 44% want the government to grant temporary visas for roles that are in obvious shortage

The Resolution Foundation has published its [Labour Market Outlook Q3 2022](#) and highlights the rise in employment of the disabled population. The share of workers with a disability (16%) is considerably larger than the estimates for the share of workers with long covid (3%). The report states that the share of the working-age population with a disability has grown from around 10% to 15% in the last 10 years.

### Food Industry Labour Supply

The Food and Drink Federation (FDF) has published its [State of Industry Report Q2 2022](#). It found that industry confidence has fallen to the lowest since records began in 2018. The outlook is bleak with 45% of respondents expecting the outlook for their business to deteriorate in Q3. Unfilled vacancies remain a major concern with the vacancy rate per 100 employees increasing to 6.3% (from 5.1%). Manufacturers are tackling the shortages by increasing pay and benefits, increasing flexibility and upskilling their workforce but this is impacting on production levels and cost. The Environment, Food and Rural Affairs (EFRA) Committee's [Food Security](#) inquiry consultation has now closed.

## The UK Immigration System

The Home Office has announced that it has taken the modern slavery brief away from the minister for safeguarding and classed it as an "illegal immigration and asylum" issue. The move is seen as a clear sign that the Home Office will be doubling down on the Home Secretary's suggestion that people are "gaming" the modern slavery system a view not shared by the GLAA Chief Executive [Watchdog disputes Braverman's claim modern slavery laws being 'gamed'](#).

The latest Ipsos tracker research for [British Future](#) has been tracking shifting public attitudes to immigration since 2015. Its [latest research](#) found that "overall numbers matter less to the public now, their priority is that immigration is controlled, rather than reduced". There have been no further updates to the [Employer's guide to right to work checks](#).

## Seasonal Workers' Scheme

The Seasonal Worker visa route currently allows up to:

- 38,000 temporary migrants to work in the UK edible and ornamental horticulture sectors
- 2,000 visas for temporary migrants to work in the UK poultry sector
- The quota for the Seasonal Worker visa route can change each year.

The RFI process for the horticulture operators' licences is still in process and a decision is expected imminently. There continues to be reports in the press about worker exploitation within the scheme. The Guardian [reported](#) that the "rapid expansion visa scheme leaves seasonal workers at risk of exploitation"

## References

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