



ManpowerGroup

## **EMPLOYERS REPORT CHRISTMAS CONFIDENCE FOR BREXIT BRITAIN**

- **Employers flout Brexit concerns to report most optimistic outlook in three years**
- **Over 20,000 new hires required to bring about smart metering revolution**
- **Demand for drivers slows in the wake of Uber court ruling**

**13 DECEMBER 2016:** Jobseekers will head into the new year in high spirits, according to ManpowerGroup, the world's workforce experts. Employers have shrugged off concerns about the impact of Brexit to report a national seasonally adjusted Net Employment Outlook of +7%, up two points on the previous quarter and the highest level of optimism in three years.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,104 UK employers. It asks whether employers intend to hire additional workers or reduce the size of their workforce in the coming quarter. It is the most comprehensive, forward-looking employment survey of its kind and is used as a key economic statistic by both the Bank of England and the UK Government.

Mark Cahill, ManpowerGroup UK Managing Director: "UK companies are going into 2017 hungry for top talent. Employers are still unsure about what exactly Brexit will mean, but are not letting that uncertainty deter them from hiring. In fact, some employers may be looking to bring in talent while they can before any curbs to freedom of movement across the European Union come into effect, as more than half of all the jobs created by UK employers this year went to EU workers."

While private sector hiring has reached its highest rate in three years (+8%), the public sector looks set to shrink in the new year, remaining at -3% for the second successive quarter. Cahill: "Concerns over public finances are clearly having an effect on public sector hiring, but the longer-term trend towards digitisation and automation is also affecting public sector job prospects. It's not all doom and gloom though. The transformation of the Civil Service is leading to new opportunities in places like Leeds, Birmingham and Cardiff, while the Brexit challenge means central government departments like the Foreign Office and the new Brexit department are expanding."

The public sector is also making more use of specialist consultants according to Cahill: "With the government facing ever-more-complex challenges, not least Brexit, central government departments are increasingly reliant on outside consultants to provide expertise. Business services is booming at +9%, as law firms and management consultancies stock up on international trade experts."

Construction firms, buoyed by the Government's commitment to investing in infrastructure and house-building, report their most optimistic Outlook in two years at +9%. Cahill: "The Chancellor's commitment to invest £23bn in innovation and infrastructure over the next five years is a huge boost to the construction industry and the £2.3bn housing infrastructure fund is also great news for house-builders. Building and skilled trades firms are desperate to make the most of this opportunity, but they have been facing a chronic talent shortage for years. This shortage means those with in-demand skills like scaffolders and bricklayers can

command up to £22 and £24<sup>1</sup> an hour, respectively (nearly £50,000 a year) in regions like the East.”

The area seeing the most dramatic increase in employment optimism is the utilities sector, with the Net Employment Outlook rising 7% from the previous quarter to +13%. Cahill: “In the next two years more than 26 million smart meters will need to be fitted if the government is going to meet its targets. Energy companies will need an army of up to 20,000 skilled engineers and wider support staff to meet this challenge. But it’s not just the energy sector that’s expanding. The growth of fibre optic broadband, which received an £1bn boost in the Autumn Statement, means we’re also seeing hundreds of opportunities for anyone interested in a career as a service engineer. There’s also a huge requirement for call centre staff as utilities providers invest in customer services to remain competitive.”

The only sector set to shrink is transport, down fourteen percent since the Brexit vote to -1%. Cahill again: “After years of growth the sector may have reached its peak. The recent court ruling against Uber has thrown the employment model of many transport and delivery firms into question, putting the brakes on jobs growth in the short term. Transport firms are also looking towards driverless technology, which received a £390m boost in last month’s Autumn Statement, as well as delivery drones, so opportunities for drivers could slow in the longer term. Drivers shouldn’t be despondent though. There is still a real skills shortage in the sector and with Christmas delivery season in full-swing, drivers are set for a very busy period.”

#### **For further information, please contact:**

Brunswick – Nick Cosgrove / Charlie Booth 020 7404 5959

Email: [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

Twitter: [#MEOSUK](https://twitter.com/MEOSUK)

#### **NOTES TO EDITORS**

A ‘Net Employment Outlook’ is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan to increase rather than decrease staffing levels; a negative result reflects the opposite. [% increase - % decrease]

Commentary and full details on every sector and region can be found in the survey report at [manpowergroup.co.uk/meos](http://manpowergroup.co.uk/meos), or by calling the Press Office on 0207 404 5959/ [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

For international comparisons and visual library with graphs, visit [manpowergroup.com](http://manpowergroup.com)

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 43 countries and territories included in this quarter’s survey, plus regional and global comparisons, can be found in the ManpowerGroup Press Room at [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos). In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Web site at: <http://www.manpowergroup.com/press/meos.cfm>

Note that in Quarter 2 2008, the Survey adopted the TRAMO-SEATS model for seasonal adjustment of data. As a result, you may notice some seasonally adjusted data points change slightly from previous reports. This model is recommended by the Eurostat department of the European Union and the European Central Bank, and is widely used internationally.

#### **About the Survey**

The world leader in innovative workforce solutions, ManpowerGroup releases the ManpowerGroup Employment Outlook Survey quarterly to measure employers’ intentions to increase or decrease the number of employees in their workforce during

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<sup>1</sup> Data Source: Innovantage

the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling nearly 59,000 employers in 43 countries and territories. The survey serves as a bellwether of labour market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine where labour markets are headed.

### **About ManpowerGroup**

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: [www.manpowergroup.com](http://www.manpowergroup.com).

### **About Manpower UK**

Manpower is the global leader in contingent and permanent recruitment workforce solutions. It is part of ManpowerGroup, the world's workforce expert, which creates and delivers high-impact solutions that enable clients to achieve their business goals and enhance their competitiveness.

With a network of offices in cities across the country, Manpower has provided organisations in the UK with a continuum of staffing solutions from the incidental to the strategic for nearly 60 years, working with businesses such as BT, IBM, Royal Mail and Xerox to help them win.

In the Human Age, where talent has replaced access to capital as the key competitive differentiator, Manpower UK leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast.

Manpower UK creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work.

For more information, see [www.manpower.co.uk](http://www.manpower.co.uk)