
THE BEST INSIGHTS

Quarterly Recruitment Summary



Spring 2025



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Welcome to Our Spring Recruitment Insights



Welcome to the Spring edition of The Best Insights.

In this edition, we reflect on the key events and trends that shaped the last quarter. It's been a very busy period, with wide-ranging changes across the political, economic and social spectrum. As always, our aim is to keep you informed and prepared for what's next in the ever-evolving world of recruitment.



Included This Quarter

This edition, we will:

- Recap on the key developments in the Political, Economic, Social and Technological environment.
- Highlight specific areas recruiters need to be aware of.
- Shine a spotlight on the UK's Aviation industry.

Read on to find out what our experts have to say.

Macro Environment

As we move through the first quarter of 2025, the UK continues to experience significant developments across political, economic, social, and technological domains. These changes present both opportunities and challenges for the recruitment industry, shaping workforce dynamics and employer strategies.

Political

Government Policies: The Labour government has continued to advance its employment reform agenda. Following the October 2024 reforms, January 2025 saw the introduction of draft legislation aimed at strengthening enforcement mechanisms for workers' rights, particularly around unfair dismissal and minimum wage compliance. Discussions are ongoing in Parliament regarding the introduction of statutory "day one" parental leave, which could further influence hiring policies and HR planning.

Legislative Updates: In early 2025, the government provided more clarity on the implementation timeline for the 'Get Britain Working White Paper.' The first phase, launched in February, includes pilot programmes focused on upskilling unemployed individuals and retraining workers in sectors facing automation risk. These initiatives could lead to shifts in candidate availability across key industries.

Economic

NLW and NICs: New rates come into force on 1st April 2025, with many industry experts raising concerns about the impact on employers. According to The British Retail Consortium, many retailers are facing tough decisions regarding passing on costs to customers – resulting in more price hikes - or laying off staff.

Economic Performance: The Office for Budget Responsibility (OBR) has downgraded predicted growth for this year from 2% to 1%. It has upgraded estimated growth for the next four years, to 1.9% next year, 1.8% in 2027, 1.7% in 2028 and 1.8% in 2029, but this is very much impacted by the global economic outlook, which is looking increasingly complex.

Interest Rates: The Bank of England held the base rate to 4.5% in March, warning that global trade uncertainty has 'intensified'. Threats of trade tariffs and import taxes from the USA are causing increased uncertainty amongst businesses and politicians alike.



Macro Environment

Social

Workforce Demographics: The Government has announced far-reaching changes to the welfare system, in a bid to cut costs, which a DWP impact assessment estimates will force 250,000 people into poverty. Changes include:

- Health-related universal credit for new claimants, which was already due to be halved from April 2026 under a package announced last week, will also now be frozen in cash terms until 2030.
- The standard allowance for universal credit will now rise to £106 per week, instead of £107 per week in 2030.
- There will also be a stricter eligibility test for personal independence payments (PIPs), the main disability benefit, from November 2026.
- Incapacity benefits to be frozen in cash terms for existing claimants at £97 per week from April next year, with a top-up payment for those with the most severe conditions.
- Those aged under 22 will no longer be able to claim the incapacity benefit top-up of universal credit.

NHS England: The Secretary of State for Health and Social Care announced in March that NHS England is being “taken back into direct government control”. The transition, which will take place over two years and affect approximately 9000 jobs, is being implemented in a bid to cut bureaucracy and improve performance.

Technological

Digital Transformation: Momentum in digital investment has continued into 2025. The Department for Science, Innovation and Technology launched new funding rounds in March to support digital infrastructure projects and AI integration in SMEs. This is likely to fuel demand for tech-savvy talent and digitally skilled recruiters.

Defence Budget: Defence spending, which had been due to rise £2.9bn next year, is to increase by a further £2.2bn, in response to global instability. The Government has committed to spending at least 10% of the MOD’s equipment budget on new technologies, such as drones and AI enabled tech.

Looking Ahead: The UK’s evolving landscape underlines the importance of agility for recruiters and employers alike. As policy changes are implemented, economic conditions shift, and workforce expectations evolve, staying informed and responsive will be essential for attracting top talent and building resilient hiring strategies.

Industry Insights

Umbrella Companies

Background: It is estimated that half a million workers are engaged by umbrella companies in the UK, and non-compliance has significant revenue losses for the Government – which was why the launch of a new policy, ‘Tackling Non-Compliance in the Umbrella Company Market’, was announced last year.

Legislation: Aimed at eradicating non-compliant companies, the policy legislates that from April 2026 agencies that outsource payroll operations to umbrella companies will bear full responsibility for any unpaid PAYE tax liabilities if they are found to be working with rogue providers. The puts the onus firmly on business-owners to do due-diligence on the companies they work with and take responsibility for non-compliance.



Employment Updates

The **REC and Lightcast Labour Market Tracker** showed that up until March there was increasing stability in the UK jobs' market.

The UK recorded **681,898 new job postings** in February 2025 - a **10.8% decrease** from January.



source: REC and Lightcast Labour Market Tracker

- The number of overall active job postings in February 2025 was 1,550,191 – an increase of 0.1% on the number of job postings in January 2025.
- Scotland (7.7%) and the East Midlands (2.0%) had the highest increase in job postings, whereas the decrease was in South West (1.2%) and the North East (0.9%).
- The number of new job postings in the UK was 681,898 – down by 10.8% from January 2025. This number will have been affected by January being a traditional stronger month for firms going to market, while February is a shorter month. There was also an increase in hiring for construction.

It remains to be seen, however, if this confidence will continue as the market faces the impact of higher NICs and NLW rates, as well as an increasingly volatile political and economic environment.



Sector Spotlight

We shine this quarter's Sector Spotlight on the **Aviation industry**. The UK aviation market refers to the industry and economic activities associated with air transportation within the United Kingdom. It encompasses various stakeholders, including airlines, airports, aircraft manufacturers, maintenance providers, ground handling services, and regulatory bodies.

- In the UK, 378,400 people are directly employed in aviation, generating USD 40.2 billion of economic output, equating 1.2% of total GDP.
- Additional benefits to the economy are generated by the wider supply chain, employee spending, and tourism activities contributing a total of USD 160.7 billion to GDP and 1.6 million jobs.
- Tourism supported by aviation contributes USD 38.0 billion to the country's GDP and employs 436,000 people, whilst international tourists to the UK are estimated to contribute USD 49.6 billion annually through the purchase of goods and services from local businesses.
- 2.4 million tonnes of air cargo were transported through airports in the UK in 2023, supporting the country's total import and export volumes.
- International air traffic accounted for 89% of total origin-destination (O-D) departures for the UK in 2023, equal to 114.6 million passenger departures. Europe remains the largest international market for passenger flows from the UK, followed by North America and Asia Pacific. Almost 87.3 million passengers departed from the UK to another country in Europe (76% of the total), 9.3 million to North America (8% of the total), and 8.0 million to Asia Pacific (7% of the total).

The UK has over 40 airports across the country, with the most popular detailed below:

AIRPORT	2024 TERMINAL PASSENGERS (000)	% OF PASSENGERS AT ALL AIRPORTS	2023 TERMINAL PASSENGERS (000)	% OF ALL PASSENGERS AT ALL AIRPORTS
HEATHROW	79,664	29.0	64,480	27.9
GATWICK	41,106	15.0	34,191	14.8
MANCHESTER	28,234	10.3	24,228	10.5
STANSTED	28,077	10.2	24,446	10.6
LUTON	16,430	6.0	13,860	6.0
EDINBURGH	14,466	5.3	11,755	5.1
BIRMINGHAM	11,559	4.2	9,994	4.3
BRISTOL	9,965	3.6	8,215	3.6
GLASGOW	7,385	2.7	6,705	2.9
BELFAST INTERNATIONAL	6,031	2.2	4,888	2.1
NEWCASTLE	4,842	1.8	4,262	1.8
LIVERPOOL (JOHN LENNON)	4,227	1.5	3,627	1.6
LEEDS BRADFORD	3,999	1.5	3,400	1.5
EAST MIDLANDS INTERNATIONAL	3,971	1.4	3,266	1.4
LONDON CITY	3,427	1.2	3,161	1.4
ABERDEEN	2,229	0.8	2,018	0.9

Due to the need for increased compliance and screening, recruitment for aviation roles is a specialist task. At The Best Connection, we are proud to serve the UK's Aviation industry with a dedicated division, Aviation Connection, which specialises in temporary and permanent recruitment for the industry. recruitment for the industry. **To find out more, please call 03333 204 100 or email aviation.connection@thebestconnection.co.uk**

In Summary

The UK's evolving landscape underlines the importance of agility for recruiters and employers alike. As policy changes are implemented, economic conditions shift, and workforce expectations evolve, staying informed and responsive will be essential for attracting top talent and building resilient hiring strategies. Stay connected with The Best Connection for industry updates to keep you ahead of the game!

Looking Ahead

Key dates for your diary this coming quarter include:

- **1st April** - National Minimum Wage increases
- **5th April** - End of the 2024-25 tax year
 - **1st May** – Local elections
 - **5th May** – Early Bank Holiday
 - **26th May** – Spring Bank Holiday
 - **31st May** – P60 deadline



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About The Best Connection

The Best Connection is one of the UK's leading providers of temporary workforce solutions. For over three decades we have proudly served and supported our clients and candidates across multiple industries, delivering our best-in-class customer service.

With a network of branches across the UK, The Best Connection provides temporary staffing services to a wide range of sectors, including industrial, commercial, driving, warehouse and distribution, retail, automotive, aviation and care.

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