

de Poel the UK's number one purchaser of temporary agency labour



We buy and manage your agency labour supply **saving money and improving quality.**

de Poel is the number one purchaser of temporary agency labour in the UK buying half a billion pounds per annum.

Employment snapshot February 2011

Unemployment UP and employment DOWN

Unemployment is up and employment is down, the fear is that the situation could turn out to be a jobless recovery, seen when growth returns but employment does not keep pace. What Britain is experiencing now is the downside of the labour market holding up relatively better than expected during the depths of the recession. Then, employers tended to cut hours rather than jobs. With the UK back in growth mode – albeit fragile – businesses are upping the hours of existing staff and are wary of new hires.

Since the monthly figures can jump about, the National Institute of Economic and Social Research (NIESR) crunched the rolling three-month averages to confirm the underlying picture.

Total employment peaked around 29.5m in April 2008 when the UK had entered the recession but jobs cuts were yet to hit. The latest data indicates the UK is now some 426,000 roles off that level. But that figure hides the reality of Britain's changing jobs market.

The number of full-time jobs is 864,000 below its peak, according to calculations, since the net job creation has been overwhelmingly confined to part-time roles. People are not embracing the reduced hours by choice - 1.2m are working part-time because they could not find full-time jobs, the highest total since records began in 1992, the December data showed.

Looking ahead, analysts think the employment situation will cut worse before it improves, as government cutbacks hit the public sector and slow wider economic growth. NIESR expects unemployment to climb from the current 2.5m mark to 2.8m.

Analysts at Capital Economics are gloomier, arguing that the "jobs recovery has gone into reverse" and expecting unemployment to hit 3m in the next few years. Some fear we may just have to get used to unemployment running higher, if the recession left a permanent scar on the UK's economic capacity.

December's headline unemployment figure was 7.9 per cent. According to the Office for Budget Responsibility, the Government's independent forecaster, this should peak at 8 per cent this year before dropping to a longer-term average.

With the Chartered Institute of Personnel and Development warning we now risk "job-loss recovery", never mind a jobless one, the pressure is on for next month's Budget to offer a convincing blueprint for growth and employment.



What we can do for you

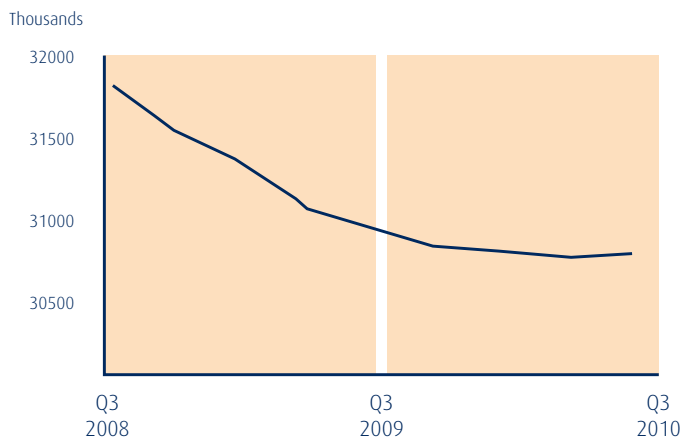
- Save money** ● deliver direct cost savings of 6 – 12% to your bottom line
- Streamlined administration** ● one invoice per week for all temporary agency labour, freeing up resource and saving money
- Visibility and control** ● forecast, manage and budget agency labour supply easily through our software *eTips*
- Compliance** ● agency audits to mitigate against the risk of legal exposure
- Cash flow** ● improve control over cash flow through standardised payment terms

Our next bulletin will feature the legislative challenges facing the construction industry, for an advance copy email cdoherty@depoel.co.uk

To arrange a meeting or receive more information please email our marketing team marketing@depoel.co.uk

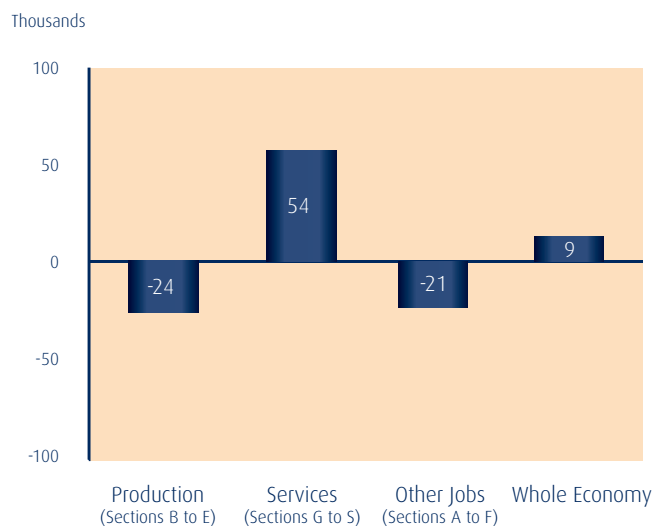
There were 30.7 million workforce jobs in September 2010, up 9,000 over the quarter but down 170,000 on a year earlier. The sector showing the largest increase in jobs over the quarter was accommodation and food service activities which increased by 27,000.

Workforce Jobs
Seasonally adjusted



Workforce jobs by industry - September 2010

Changes on quarter from June 2010
Seasonally adjusted



SIC 2007 selections show in brackets

New regulations can cost firms £13bn

Businesses are being bombarded by red tape, which is causing unnecessarily burdensome and costs around £13 billion a year to administer, a damning report has uncovered. The National Audit Office states that businesses have to cope with as many as 60 separate regulations, with updates issued at least once a week.

Some admitted that regulation has become such a nightmare that they 'intentionally avoid employing staff', according to the NAO's report. The report says firms are particularly affected by regulation beyond the obvious areas of paying tax and fair treatment of staff, accusing the Government of introducing new rules without considering the impact.

A separate report, published earlier this week, warned that businesses face being hit by £23 billion of extra red tape over the next four years. The British Chambers of Commerce said bosses cannot create jobs under the threat of such a mountain of new regulations, which could 'derail the recovery'.

The Government has pledged to cut red tape, saying no new rule can be introduced before another is axed. The Better Regulation Executive, part of the Department for Business charged with red tape reform, will cost an estimated £5.4 million this tax year, according to the NAO. Business leaders have welcomed the Government's decision to delay the introduction of one controversial piece of new regulation.



In order to assist with the red tape regulation de Poel, the number one procurer of temporary agency labour in the UK, is introducing key new features in their e-tips® application. There is now an enhanced candidate registration, where candidates will be registered with a NI and passport number, creating a unique candidate registration. From this, additional information such as right to work, employment incidents, employment and education history, security compliance and legal compliance can overcome the legal red tape holding back on certain candidate recruitment. It's essential for all organisations to comply with legislation not only to avoid fines but to prohibit damage to reputation which can be un-retrievably negative.

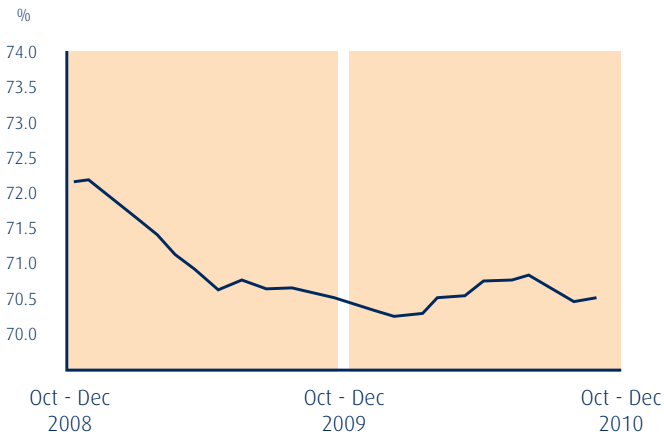
Employment Rate

The employment rate for those aged from 16 to 64 was 70.5 per cent in the three months to December 2010, down 0.3 percentage points on the three months to September 2010 and down 0.1 percentage point from a year earlier.

The employment rate for men aged from 16 to 64 was 75.7 per cent, down 0.2 percentage points on the previous quarter. The corresponding employment rate for women was 65.3 per cent, down 0.4 percentage points on the previous quarter.

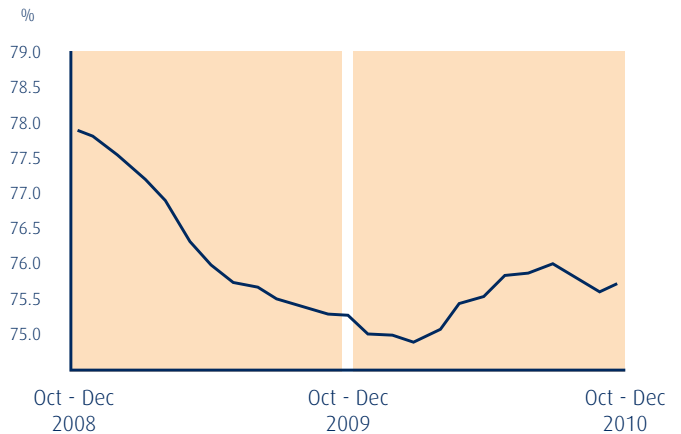
Employment rate (aged 16-64)

Seasonally adjusted
Sampling variability $\pm 0.4\%$



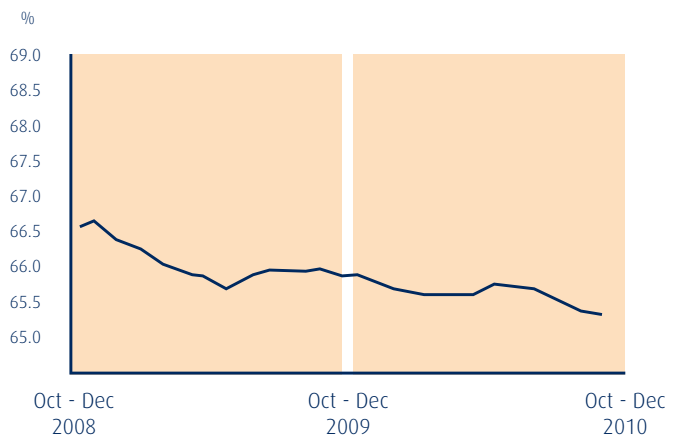
Male Employment rate (aged 16-64)

Seasonally adjusted
Sampling variability $\pm 0.5\%$



Female Employment rate (aged 16-64)

Seasonally adjusted
Sampling variability $\pm 0.5\%$



The number of people in employment was 29.12 million in the three months to December 2010, down 68,000 from the three months to September 2010 but up 218,000 on a year earlier. The number of people in full-time employment was 21.21 million in the three months to December 2010, down 3,000 from the three months to September 2010. Of this total, 13.59 million were men and 7.61 million were women. The number of people in part-time employment was 7.92 million in the three months to December 2010, down 65,000 from the three months to September 2010. Of this total, 2.04 million were men and 5.88 million were women.

The number of people in public sector employment was 6.01 million in September 2010, down 33,000 from June 2010. The number of people in private sector employment was 23.11 million, unchanged from June 2010.

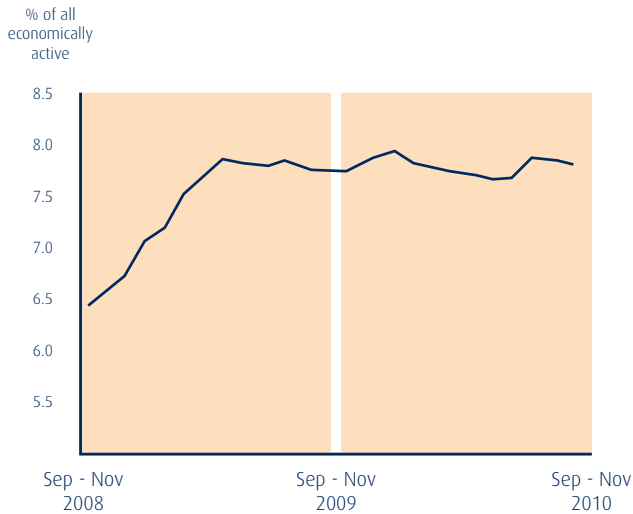
The employment rate for UK born people aged from 16 to 64 (not seasonally adjusted) was 71.3 per cent in the three months to December 2010, down 0.3 percentage points on a year earlier. The corresponding employment rate for non-UK born people was 67.3 per cent, up 1.1 percentage points on a year earlier.

Unemployment rate

The unemployment rate was 7.9 per cent in the three months to December 2010, up 0.1 percentage point from the three months to September 2010 and from a year earlier.

Unemployment rate (aged 16+)

Seasonally adjusted
Sampling variability $\pm 0.2\%$



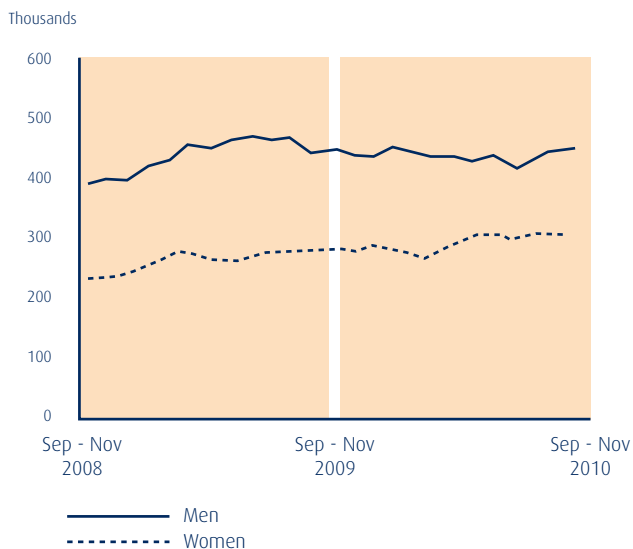
The number of unemployed people was 2.49 million in the three months to December 2010, up 44,000 from the three months to September 2010 and up 40,000 from a year earlier. The number of unemployed men was 1.46 million in the three months to December 2010, up 32,000 from the three months to September 2010. The number of unemployed women was 1.03 million in the three months to December 2010, up 12,000 from the three months to September 2010.

The number of people unemployed for over twelve months was 833,000 in the three months to December 2010, up 17,000 from the three months to September 2010. There were 755,000 unemployed 18 to 24 year olds in the three months to December 2010, up 42,000 from the three months to September 2010.



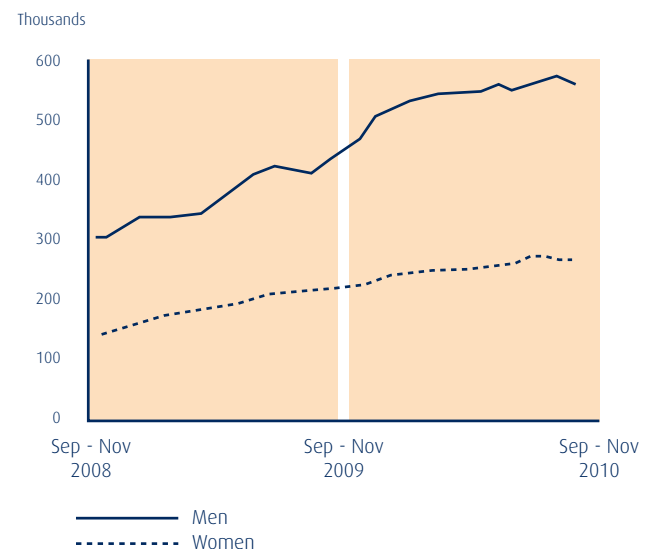
Unemployed (aged 18-24)

Seasonally adjusted
Sampling variability $\pm 45.000\%$



Unemployment for more than 12 months (aged 16+)

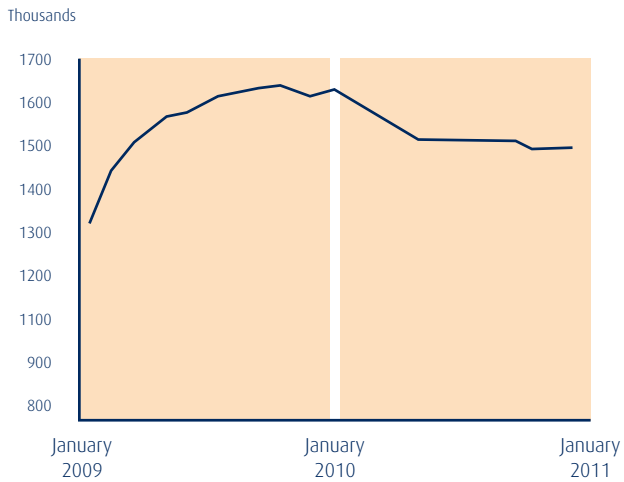
Seasonally adjusted
Sampling variability $\pm 47.000\%$



Claimant Rate

The claimant count in January 2011 was 1.46 million, up 2,400 on the previous month but down 157,100 on a year earlier. The claimant count rate was 4.5 per cent, unchanged on the previous month but down 0.5 percentage points from a year earlier.

Claimant count
Seasonally adjusted

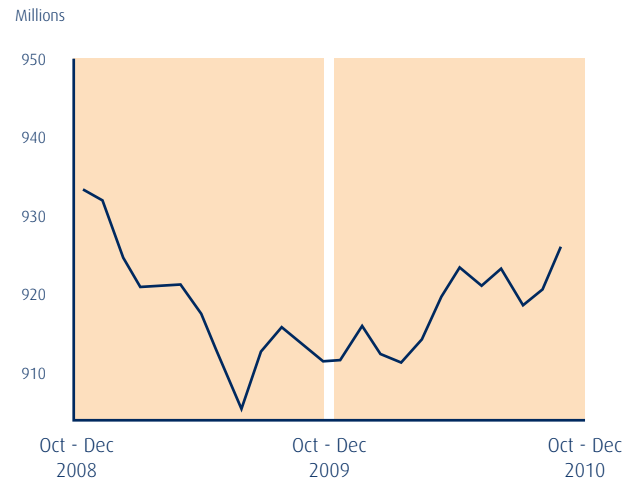


Actual hours worked

Total hours worked per week were 924.6 million in the three months to December 2010, up 3.0 million from the three months to September 2010.

Average weekly hours worked in the three months to December 2010 were 31.8, up 0.2 from the three months to September 2010.

Total weekly hours
Seasonally adjusted



Tens of thousand of migrant workers to avoid annual cap

Tens of thousands of migrant workers will still fill British jobs despite an annual cap because of a series of loopholes. The limit, which comes in to force in April, will not affect any migrant worker already in the UK even if they change jobs or visas.

The effectiveness of the new restrictions was cast further in doubt after the immigration watchdog warned officials are failing to tackle migrant workers who may no longer have a right to stay in the UK. John Vine, the chief inspector of the UK Border Agency, said officials were not cutting short the stay of those who lose their jobs, as is required under immigration rules.



The Government has said there will be an annual cap on workers from outside the EU of 21,700 starting from April and yesterday detailed how the system would work. A total of 4,200 will be available for the first month in April, with 1,500 each month after that.

However, it emerged any foreign worker who already has the right to stay here will be exempt from the limit even when they come to renew their work permit or change jobs. Around 36,000 skilled workers arrived in the UK last year alone. Under the rules, leave to remain for a foreign worker should be cut to 60 days if they become unemployed but immigration officials are failing to enforce it, he warned.

To assist organisations conform to these new caps, de Poel have added further functionality to their e-tips® system, which simplifies the recording, ensuring that the correct compliance process has been carried out. This includes a decision tree based process that takes the registering agency through UK Borders Agency process for each candidate entered on e-tips®.

To help clients maintain compliance in relation to due diligence procedures reporting functionality on driving licence and endorsement checks as well as incident reporting to conform in line with internal HR processes has been introduced.

Labour disputes

In December 2010, there were 7,000 working days lost from 14 stoppages. In the twelve months to December 2010, there were 365,000 working days lost from 88 stoppages.



Vacancies

There were 500,000 job vacancies in the three months to January 2011, up 40,000 from the three months to October 2010 and up 20,000 from a year earlier. The estimates include vacancies for temporary jobs in connection with the 2011 Census, which have been advertised since October 2010.

Excluding the Census vacancies, there were 466,000 job vacancies in the three months to January 2011, up 8,000 from the three months to October 2010. There were 1.9 vacancies per 100 employee jobs in the three months to January 2011, up 0.2 on the previous quarter and up 0.1 on the year.



Redundancies

In the three months to December 2010, 145,000 people had become redundant in the three months before the Labour Force Survey interviews, unchanged from the three months to September 2010 but down 23,000 from a year earlier

The redundancy rate was 5.8 per 1,000 employees, unchanged from the previous quarter but down 1.0 from a year earlier.

