



# UK ECONOMY & LABOUR MARKET REPORT MARCH 2026

Monthly Edition



**The latest news, statistics, and emerging trends shaping  
the UK labour market**



## The Practice Director's Desk

What's changed over the past month is not just the data - it's the context around it.

The underlying labour market story is one of gradual stabilisation, but that sits against a much more volatile global backdrop. The escalation in the Middle East is already feeding through into energy markets, and that's shifting the tone of decision making at board level from cautious optimism to measured defensiveness.

In response, organisations aren't standing still, they are becoming more deliberate. Large scale transformations are being replaced by targeted, outcome led initiatives focused on cost optimisation, AI & automation and core platform efficiency.

At the same time, hiring strategies are evolving. With uncertainty elevated and wage growth softening, many organisations are reluctant to add permanent cost until there's more clarity on direction of travel. That's where we're seeing a continued shift toward flexible capability models bringing in experienced delivery expertise on a contract or interim basis to accelerate critical programmes without long term commitment.

Done well, this isn't just risk mitigation, it's a competitive advantage.

It allows organisations to move decisively in uncertain conditions, rather than waiting for them to pass.

And in a market like this, pace - not perfection - is often what separates those who progress from those who pause

[Link to my calendar](#) to book a brief conversation to share insights and practical considerations.

**Julian Brown**

*Practice Director*

[Julian.Brown@ChangeSpecialists.co.uk](mailto:Julian.Brown@ChangeSpecialists.co.uk)



*Contact me to discuss your IT, Change or Digital Transformation programme, resourcing obstacles, or your own career in Change Management*

### Headline Findings



#### Hiring Activity

Hiring activity is stabilising but remains subdued, declines easing yet no meaningful recovery in perm recruitment volumes.



#### Signals for the Future

Rising candidate availability and cooling wage growth suggest a loosening labour market, though fragile confidence continues to temper hiring decisions.



#### Challenges Persist

Persistent economic uncertainty, intensified by Middle East driven energy shocks, is sustaining inflation risk while constraining growth, hiring and investment.



#### Implications

Organisations are pivoting toward efficiency led transformation, prioritising targeted digital and cost programmes while adopting more flexible, lower risk resourcing models.

# UK ECONOMY & LABOUR MARKET UPDATE AT A GLANCE

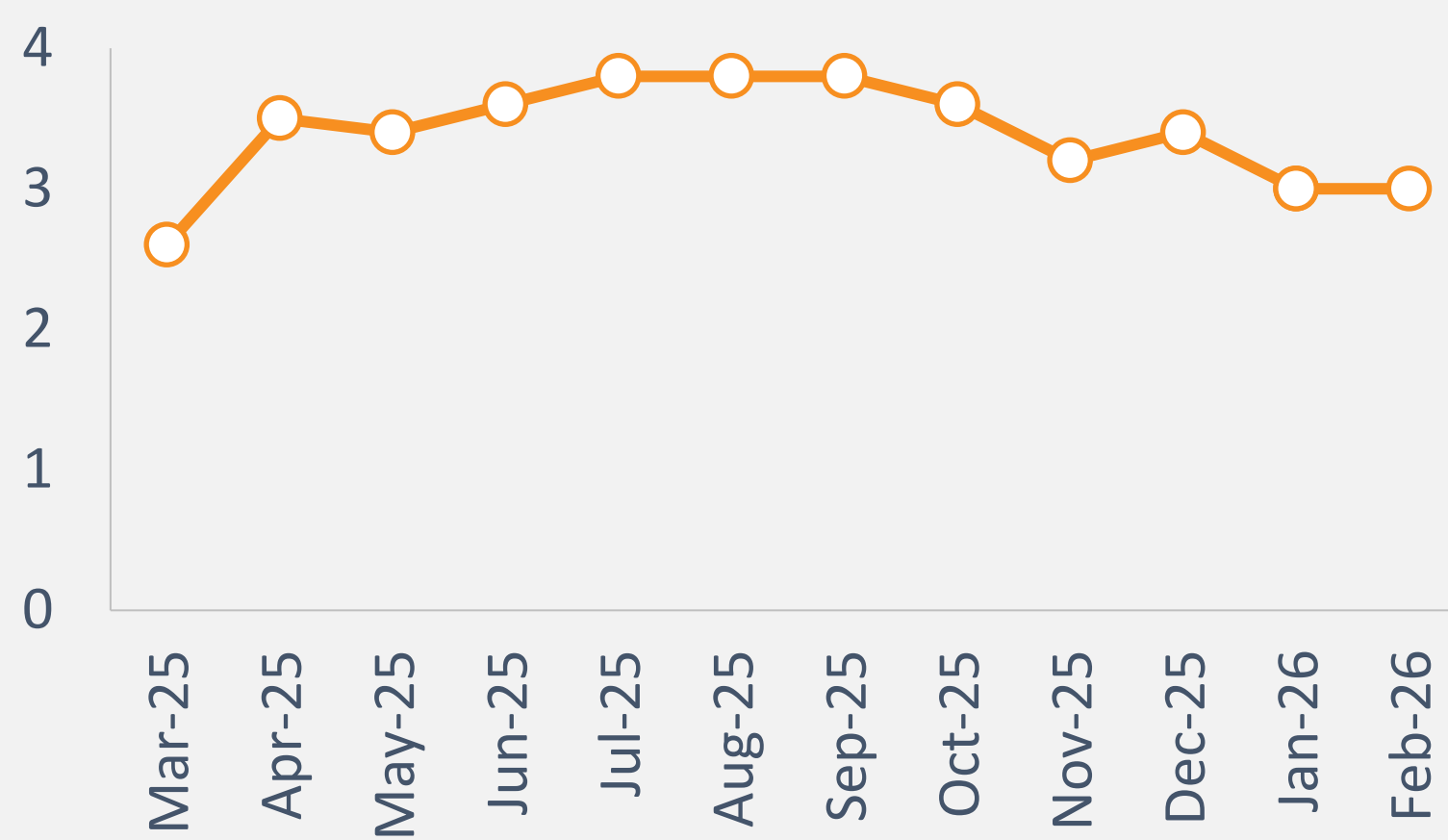
Our round-up of key statistics, covering inflation, employment and earnings

## Inflation

**3%**

Feb 2026

Inflation (CPI) %



The UK inflation rate stays at 3% in the year to Feb, figures collected before the war began.

**3.8%**

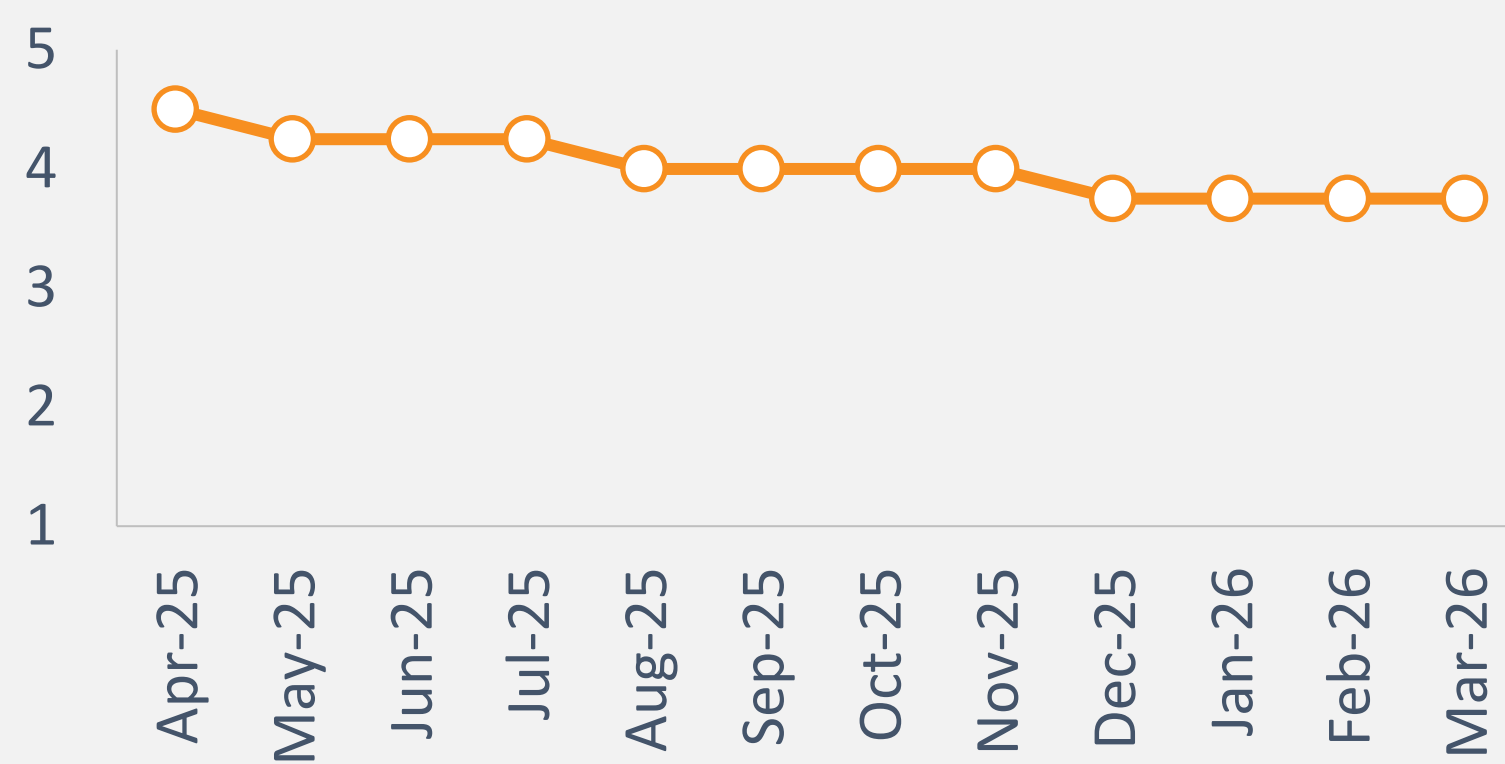
Growth in employees' average regular earnings (excl. bonuses)  
Quarter ending Jan 26

## UK Bank of England Base Rate

**3.75%**

March 2026

UK Bank of England Base Rate



Maintained at 3.75%, tone more cautious. Next review 30 April

**36.6 million**

Number of workforce jobs Dec 2025  
An increase of 33,000 (0.1%) from Sept 2025

**75.1%**

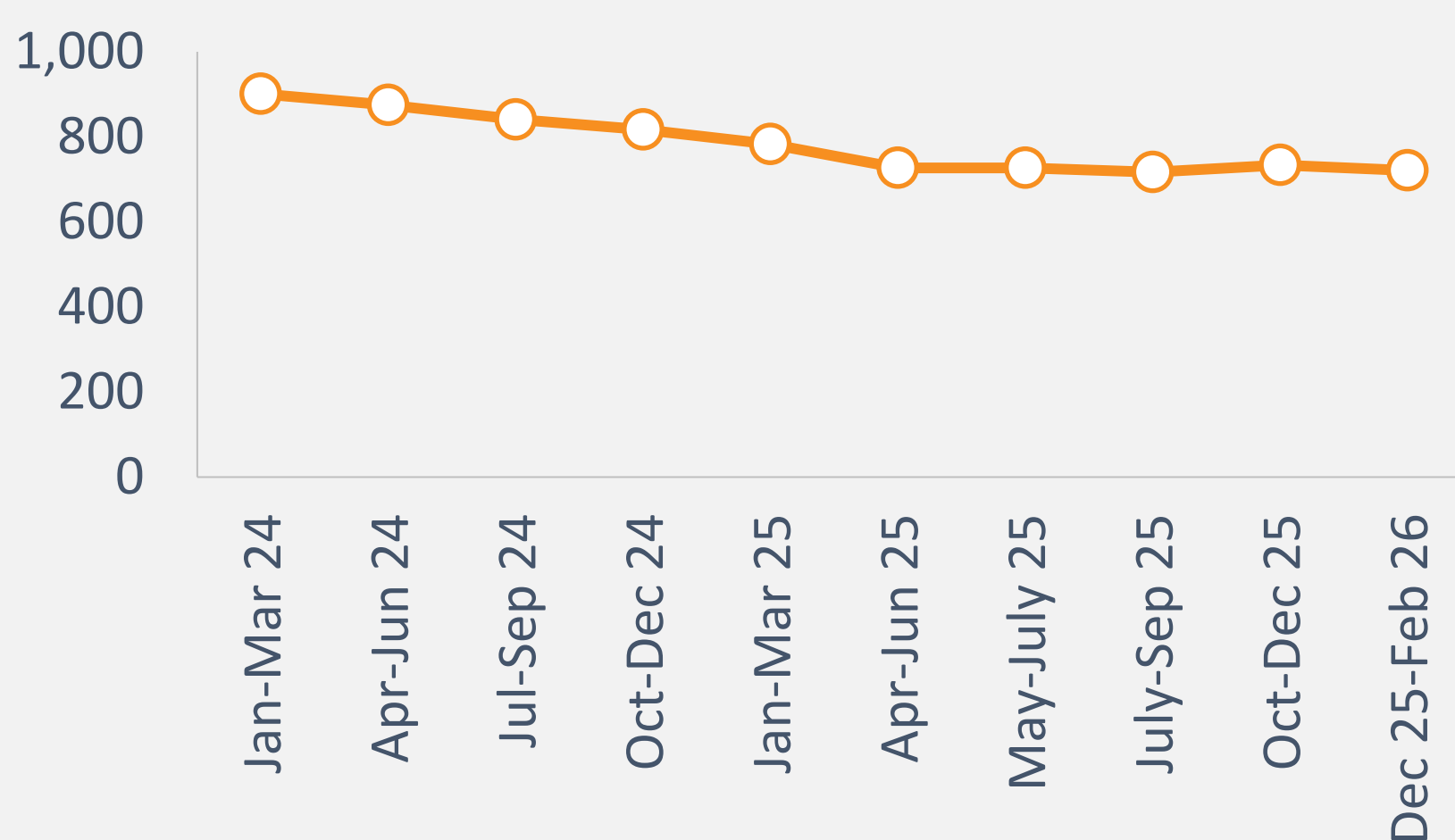
UK employment rate Nov 25 – Jan 26

## Est. Job Vacancies

**721k**

Dec 25 – Feb 26

Vacancies 100K



Estimated vacancies down by 76,000 (9.5%) compared to the same period in 2024/2025.

**+5%**

Active job postings 1,530,172 in Feb 26.  
An increase of 5% from Jan 26.

The employment rate is 75.1%, a slight increase from 75% last quarter.

The unemployment rate is 5.2%, up on the quarter and the year.

The economic inactivity rate is 20.8 %, slight dip on the quarter.

Data source: Office for National Statistics, Recruitment & Employment Confederation, Change Specialists Ltd.

# TURNING DATA INTO ACTION

As organisations face increasing complexity, the ability to harness data from legacy systems has become a critical advantage.

Modernising data infrastructure and applying practical analytics can turn raw information into timely, confident decisions - helping businesses identify opportunities, manage risks, and respond effectively in a fast changing environment.

If your team is navigating these challenges, get in touch to see how we're supporting organisations turning their data into real business impact.



## WHAT WE SUPPLY

- Project & Programme Management
- Business Analysis
- QA & Test
- Data Specialists
- Governance & Control (PMO)
- Change Management
- Communications Specialists
- Business & Process Architects
- Learning & Training Delivery
- Cloud & DevOps Specialists
- Developers
- Artificial Intelligence
- Machine Learning
- IT Infrastructure & Operations
- Cyber Security
- UX / UI Design & Digital
- Technical, Solutions & Enterprise Architects



Security isn't just a priority,  
it's a promise.  
We are proud to announce  
that Change Specialists is  
officially  
Cyber Essentials Certified

## Looking for your next challenge as part of a portfolio career? Associate Director opportunities with Change Specialists

If you have established access to senior decision makers and are comfortable operating within a pure profit share model, this could become a great addition to your portfolio.

These opportunities will appeal to those seeking independence, with the drive and ambition to thrive within a knowledgeable consultancy team that provides you with support and product training.

Email us to express your interest in the first instance [info@changespecialists.co.uk](mailto:info@changespecialists.co.uk)

To explore how Change Specialists can support current or future business change or digital transformation across all sectors, contact us today on **01379 871144** or via

[info@ChangeSpecialists.co.uk](mailto:info@ChangeSpecialists.co.uk)