

Year in Review 2025

UK NFP Labour Market Trends



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Foreword



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Over the past year, public sector organisations have faced significant challenges as they strive to provide essential services amidst budgetary limitations, heightened demand, and a rapidly evolving technology landscape. The insights in this Year in Review 2025 report reflect many of the challenges our customers have shared with us, particularly the rising complexity of workforce requirements and the widening gap between the skills organisations need and those available in the labour market.

Across the UK, investment in infrastructure, digital transformation and connectivity continues at record levels. Yet the acute shortage of skilled professionals – particularly in , transformation, technology and operations – is placing significant strain on delivery. The public sector is navigating these pressures while also adapting to new regulatory expectations, expanding service needs and evolving citizen priorities. At a time when government bodies and not for profit organisations are expected to achieve more with fewer resources, securing the right talent has never been more crucial. Meanwhile the drive to harness data and technology to achieve efficiency improvements, enhance productivity and deliver

savings while improving outcomes for customers and service users, is creating an imperative to develop the skills of existing employees to deliver on this too.

This report shows how labour market trends are shifting. Demand for technology, communications and technical specialists remains high, underscored by national investment in areas such as data infrastructure, AI deployment, and public service digitisation. At the same time, organisations are looking for professionals who can drive transformation, promote efficiency and strengthen long-term resilience.

As the financial year draws to a close, there is an opportunity for public sector employers to reflect, plan and invest in workforce strategies that support their ambitions – and help secure the UK’s place as a global leader in AI and digital innovation

I encourage you to explore the insights in this report and use them to shape bold, future-focused workforce strategies that will set your organisation for success in the year ahead.

Overview

As 2026 begins, the non-profit sector is settling into a new, policy-driven reality. The rapid hiring of the post-pandemic years has slowed as organisations adapt to fiscal pressures and regulatory changes. The focus has shifted from expansion to long-term planning, with recruitment prioritising skill optimisation, value, and strategic geographic placement over volume.

The headline growth rate of 1.6% masks stark differences across the sector. Civil service vacancies rose 23% as departments internalised roles to meet policy mandates. By contrast, NGOs and charities cut openings by nearly 10%, while private organisations, facing rising operational costs and inflation, are also cautious. Government policy increasingly dictates priorities: compliance and statutory obligations now outweigh expansion or new programmes.

Rising employment costs have further reshaped the market. National Insurance changes in April 2025, which raised the rate to 15% and lowered the secondary threshold to £5,000, added an estimated £1.4 billion to charity budgets. Organisations accelerated hiring in March to avoid additional costs, creating a monthly peak of 4,884 vacancies and saving £850–£900 per employee. Post-March, budgets were constrained, leading to a period of stagnancy. Activity bottomed out in December at 2,830 vacancies as employers paused to assess the impact of the Employment Rights Act 2025.

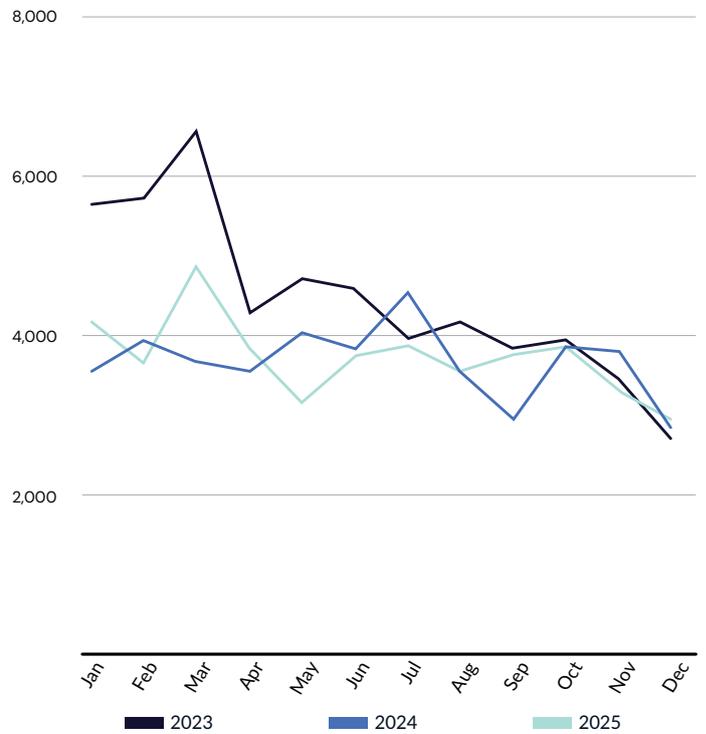
Geography has become a key factor. London saw a 6.6% drop in vacancies, reflecting high salaries and operational costs, while regional hubs such as Manchester and the South East grew 5%, now accounting for 73.3% of positions.

The sector has also been increasingly reactive to legislation rather than growth-driven. With the Fair Work Agency launching in April 2026, recruitment is becoming seasonal, timed around key statutory changes.

Nonetheless, with inflation stabilising, there is cautious optimism that the coming year will see the economy start to pick up speed, where should this be the case, the improved climate should lead to greater hiring across the third sector.

Monthly Totals

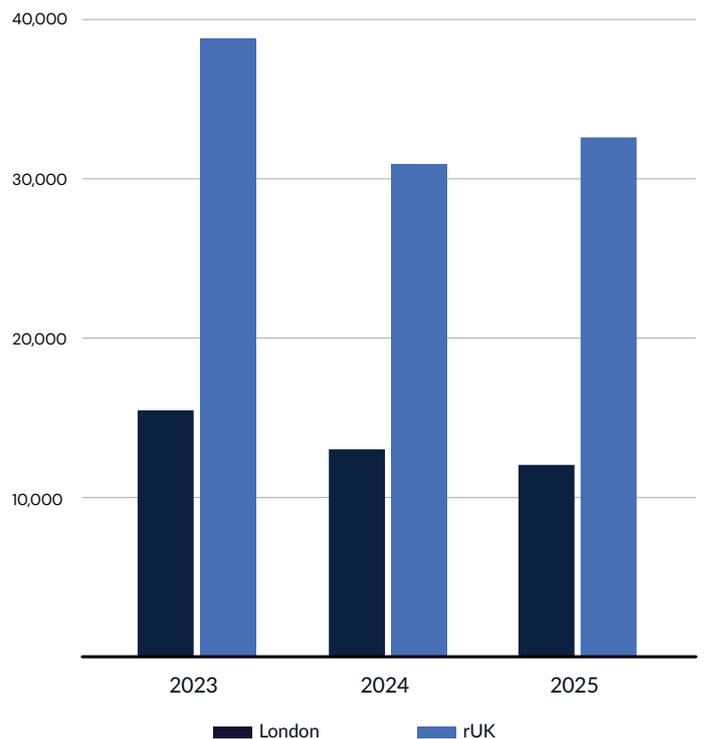
All Professional vacancies, NFP/Public Sector, London vs rUK, 2023-2025



Source: Vacancysoft Analytics

Annual Totals

All Professional vacancies, NFP/Public Sector, UK, 2023-2025



Source: Vacancysoft Analytics

Regional Breakdown

The non-profit sector is shifting as regional opportunities and government policies reshape recruitment. Organisations are focusing growth on areas that offer lower costs and access to skilled talent.

Manchester and the South East are leading the way, with 2025 growth of 13.6% and 12.9% respectively. Government initiatives, including the £1 billion Good Growth Fund and broader investment programmes to boost infrastructure outside London, have encouraged NFP relocation. These moves provide professional talent at lower operational costs while improving local digital and transport links. Some functions, such as IT, are relocating just outside London, cutting premium salaries while maintaining regular collaboration with headquarters.

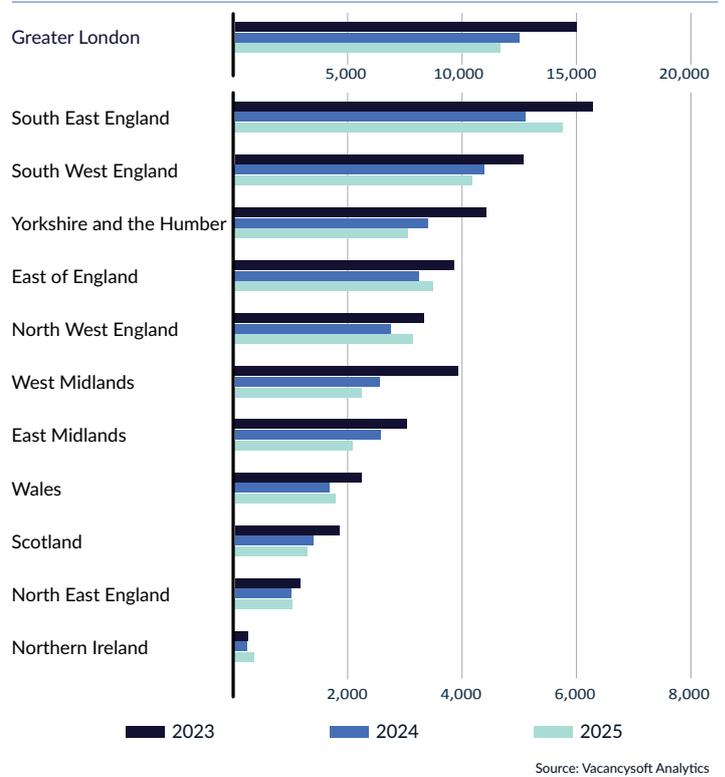
Elsewhere, the Midlands face tougher conditions. The East Midlands recorded an 18.9% drop in vacancies, while the West Midlands fell by 11.8%, as councils reduced contracts due to funding shortfalls. The planned end of the UK Shared Prosperity Fund in March 2026 has worsened the imbalance, leaving Birmingham with five jobseekers per role, double the national average. While hubs like Manchester thrive thanks to targeted investment, other areas lack the infrastructure and funding to sustain growth, deepening regional divides.

Sector-wide changes are also visible in education. Hiring has risen 10% year on year as local education authorities struggle to accommodate children withdrawn from private schools. Around 25,000 children moved into publicly funded schools last year, creating pressure on capacity and staffing.

Government policy, including the levelling-up agenda, the Good Growth Fund, and regional infrastructure investments, is driving these shifts. For the not-for-profit sector, success now depends on aligning recruitment with areas supported by policy, such as regions with improved digital connectivity, transport links, and funding programmes. Organisations that relocate or expand into these priority regions can access skilled talent at lower cost, while ensuring compliance with statutory obligations and meeting growing service demands.

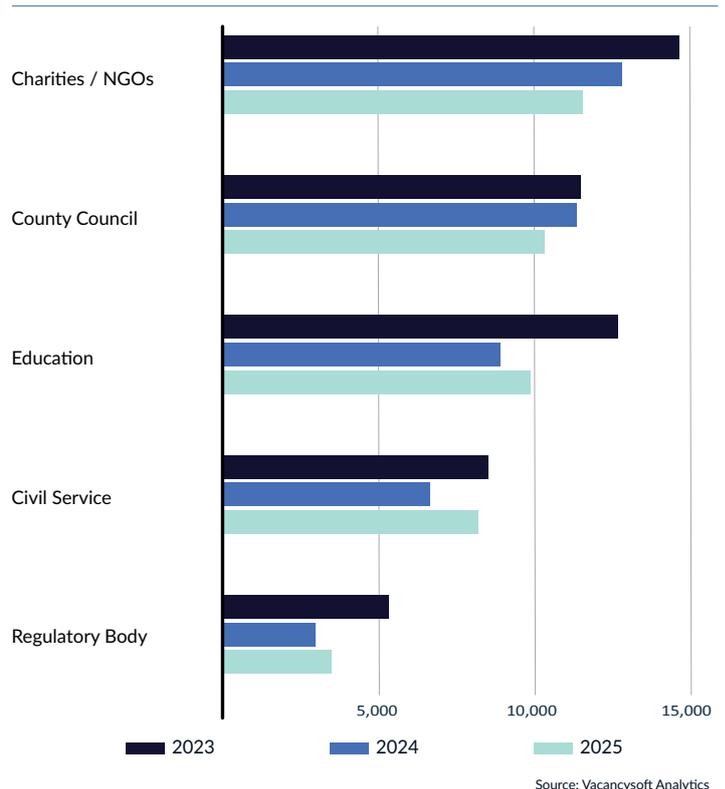
Regional Breakdown

All Professional vacancies, NFP/Public Sector, UK, 2023-2025



Sectorial Breakdown

All Professional vacancies, NFP/Public Sector, UK, 2023-2025



Skills In Demand

Skills In Demand

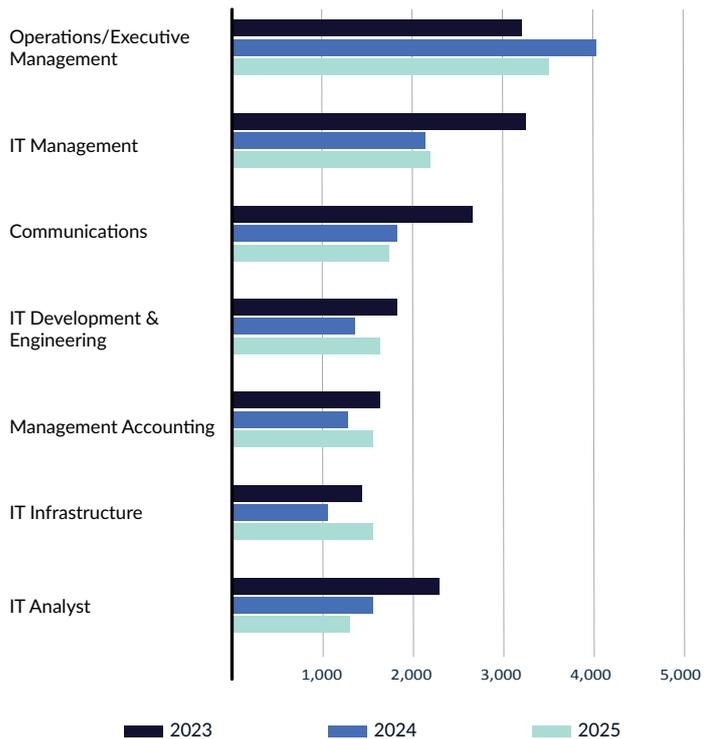
Top Professions, All Professional vacancies, NFP/Public Sector, UK, 2023-2025



Source: Vacancysoft Analytics

Skills In Demand

By Division, All Professional vacancies, NFP/Public Sector, UK, 2023-2025



Source: Vacancysoft Analytics

The skills in demand within the non-profit sector are shifting sharply. Organisations are moving away from leadership, growth, and marketing roles towards infrastructure, compliance, and technical expertise. IT vacancies rebounded 8.3% in 2025, showing resilience as Artificial Intelligence is increasingly adopted. Construction roles grew 34.1%, reflecting government priorities on infrastructure and social housing.

By contrast, marketing and communications positions have been cut back, as organisations focus budgets on operational and frontline roles that deliver measurable impact.

Government policy is also shaping the workforce. Reskilling initiatives such as Skills Bootcamps and the National Retraining Scheme are being expanded to train workers in high-demand areas like IT, digital services, and construction. Programmes targeting NEETs are creating pathways into the sector through apprenticeships and work placements, supporting young people while helping organisations fill talent gaps. These initiatives reinforce a broader shift towards practical, output-driven roles over traditional managerial or promotional positions.

Within IT, development and infrastructure roles grew 45% and 20.3%, while management roles rose just 1.8%, showing demand for hands-on specialists rather than managers. In finance, management accounting roles increased 20.3% as general accounting fell 2.4%, reflecting a focus on forward-looking analysis over historical reporting. The sector is prioritising staff who can deliver tangible results at a time when overall productivity growth is slowing, meaning every role must contribute to measurable impact.

Government guidance now emphasises value-for-money in hiring. Organisations are expected to show how each role improves efficiency, delivers outcomes, and supports service delivery, ensuring resources are allocated where they have the greatest effect. As sluggish productivity continues to cause issues, the non-profit sector is responding by investing in roles that generate clear, quantifiable results, while trimming functions, such as marketing, that offer less measurable return on investment.

Top 20 Companies

Looking back on last year, we can see a stark divide between organisations aligned with government priorities and those operating outside them. The Ministry of Defence led the surge, with vacancies rising 133% year on year. This follows the launch of the Armed Forces Recruitment Service, a £1.5 billion initiative with Serco PLC to centralise recruitment across the Army, Navy, and Air Force. The strategy reflects a wider trend of statutory bodies internalising roles to reduce reliance on contractors, echoing the 23% growth seen across Civil Service positions.

The implications of the industrial strategy are also being seen by the universities, as those which are focusing on investing into R&D, are being able to tap into funding to accelerate that, with the University of Oxford one such beneficiary through such programmes as the Industrial Strategy Challenge Fund (ISCF.)

By contrast, regulatory organisations such as the Financial Conduct Authority have scaled back recruitment, with hiring down 25.1%. Government policy under the Leeds reforms has signalled a shift towards deregulation, prompting the FCA to streamline operations. Initiatives like the Certification Regime have reduced compliance burdens, and in turn headcount requirements, showing how policy decisions directly shape workforce demand.

Non-profits have faced similar pressures, albeit from different forces. The National Trust ended the year with a 31.5% decline, driven in part by the April National Insurance increase, which added roughly £1.4 billion to sector costs.

Funding patterns across the wider non-profit sector have also changed. The Good Growth Fund injected £1 billion into regional projects in 2025, while local authorities allocated over £850 million to community services.

At the same time, the planned closure of the UK Shared Prosperity Fund in March 2026 will remove around £500 million in support, compelling many organisations to consolidate resources and prioritise statutory obligations.

Top 20 Companies

All Professional vacancies, NFP/Public Sector, UK, 2023-2025

Company	2024	2025	YoY%
Ministry of Defence	645	1502	132.9%
University of Oxford	475	732	54.1%
University of Cambridge	494	407	-17.6%
Cambridge University Press and Assessment	291	312	7.2%
Kings College London	327	312	-4.6%
Financial Conduct Authority	406	304	-25.1%
Nuffield Health	333	259	-22.2%
National Trust	359	246	-31.5%
Leeds City Council	257	242	-5.8%
Home Group	209	232	11.0%
University of Leeds	342	231	-32.5%
Sovereign Network Group	151	209	38.4%
University of Edinburgh	326	207	-36.5%
L&Q	237	202	-14.8%
Metropolitan Police	324	184	-43.2%
British Standards Institution	251	174	-30.7%
Bromford	241	148	-38.6%
Parliament of the United Kingdom	278	137	-50.7%
University of Bristol	232	126	-45.7%
Derbyshire County Council	278	99	-64.4%

Source: Vacancysoft Analytics

About Hays

With over 35 years of public sector recruitment expertise, Hays is a trusted workforce partner offering tailored talent solutions that combine national reach with local knowledge, specialist insight and a strong understanding of sector needs. We draw on extensive networks to quickly identify skilled professionals across a wide range of disciplines.

Our services span the full breadth of workforce requirements, including permanent recruitment, executive search, temporary staffing and advisory services that support organisational redesign and transformation. Our consultants are specialists in their fields, whether it's technology, transformation, finance, property, HR, procurement, business support or other key functions. They understand both the sector specific challenges and the compliance standards that underpin effective hiring.

We work closely with our customers to build long standing relationships that prioritise quality, integrity and a shared commitment to public service excellence.



About VacancySoft

Vacancysoft is the UK's leading provider of labour market data and analytics. We provide high-grade lead generation, client intelligence and market analysis solutions for Britain's top recruitment industry firms and others.

Vacancysoft's products helps firms to optimise their businesses. Established in 2006, we have thousands of clients worldwide, ranging from FTSE-listed businesses to industry specialists.

The data contained within this report is gathered solely and specifically from the career centres of company websites, not job boards.

Before publication, job postings are de-duplicated and verified as unique. Every vacancy is assigned up to 20 data points through Vacancysoft's proprietary algorithm, which is double-checked for validity by a data quality control team.

The data showcased here is available within the Vacancy Analytics platform, where users can create and customise their own reports.

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