

Recruitment Market 2024 Snapshot

The UK public sector is spending more and more with recruiters each year. FY22/23 saw a record £5.4 billion spent between public bodies and recruitment suppliers.

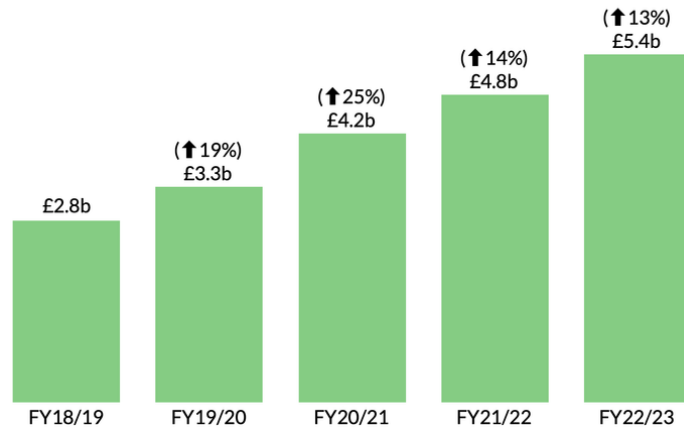
This snapshot unpacks everything you need to know about this rapidly expanding market.

All of the data in this snapshot comes directly from [Tussell's market intelligence platform](#) on the public sector.

Our analysis paints a rapidly expanding – yet highly concentrated – public sector market. The 10 largest recruitment suppliers occupy a majority of the sector, through successfully leveraging framework agreements and channelling their efforts on specific government verticals.

Nevertheless, some SMEs are making headway in this market. To sustain this growth they – and all suppliers in this space – must proactively anticipate the billions of pounds worth of recruitment contracts expiring over the next couple of years.

1 The state of the market

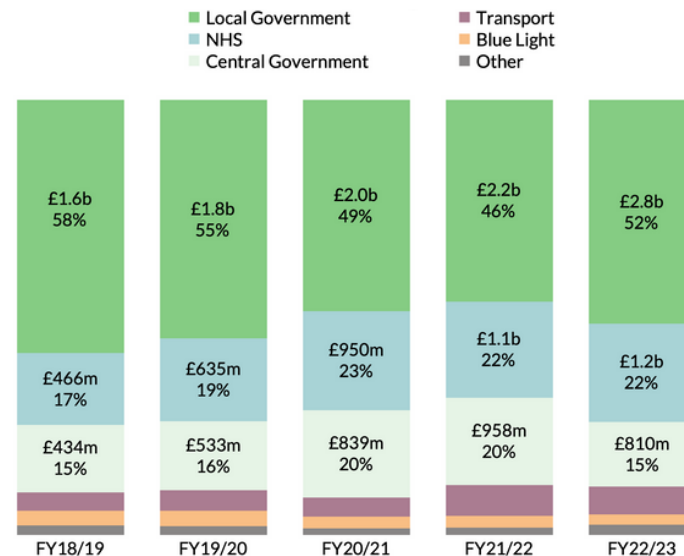


The public sector recruitment market has never been bigger

Total direct procurement spending with recruitment suppliers, FY18/19 – FY22/23

What does this mean?

The public sector is doing more business with recruitment suppliers than ever before. The market has seen an average annual growth of 18% over the past 4 financial years. The public sector represents a burgeoning space for the recruitment industry.



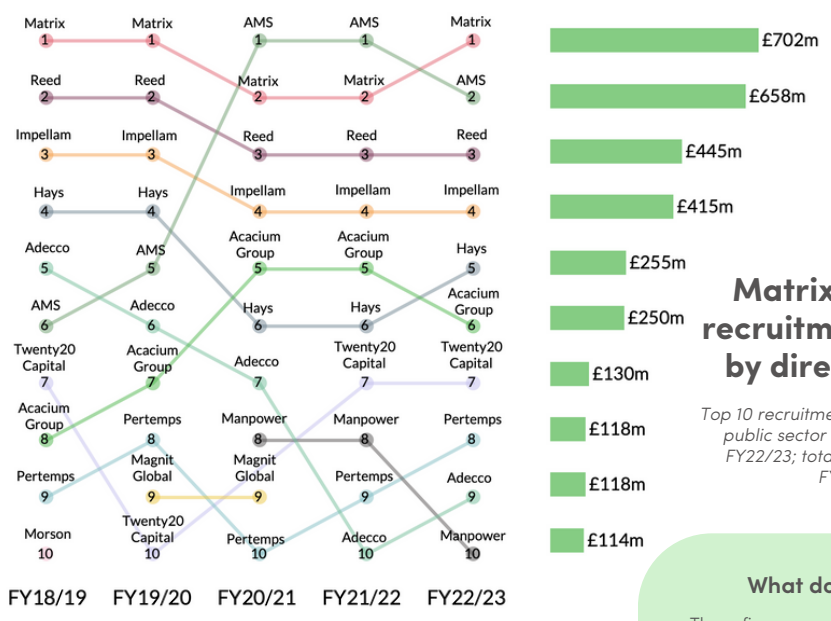
Local Government is the market's largest customer

Total direct procurement spending with recruitment suppliers, by buyer type, FY18/19 – FY22/23

What does this mean?

When planning which accounts to target in this space, do not underestimate the opportunities posed by Local Government.

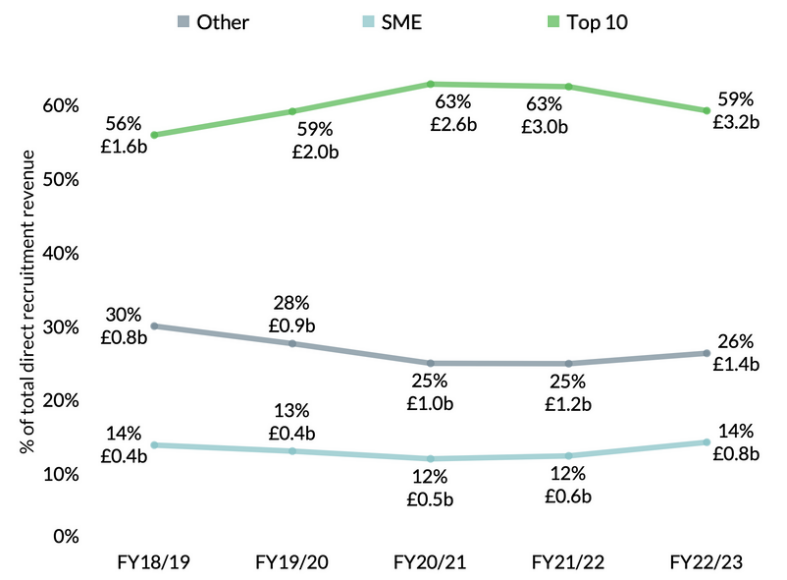
2 The market's top players



Matrix is the top recruitment supplier by direct revenue

Top 10 recruitment suppliers by direct public sector revenue, FY18/19 - FY22/23; total direct revenue in FY22/23

What does this mean?
 These firms represent the market's biggest players. Use hard data to understand their book of business, and position yourself against - or in partnership alongside - them.



The market is highly concentrated

Recruitment suppliers' direct public sector revenue, by supplier type, FY18/19 - FY22/23

What does this mean?
 The top 10 recruitment firms have maintained a 60% market share. Smaller firms should not underestimate the competition posed by these companies.

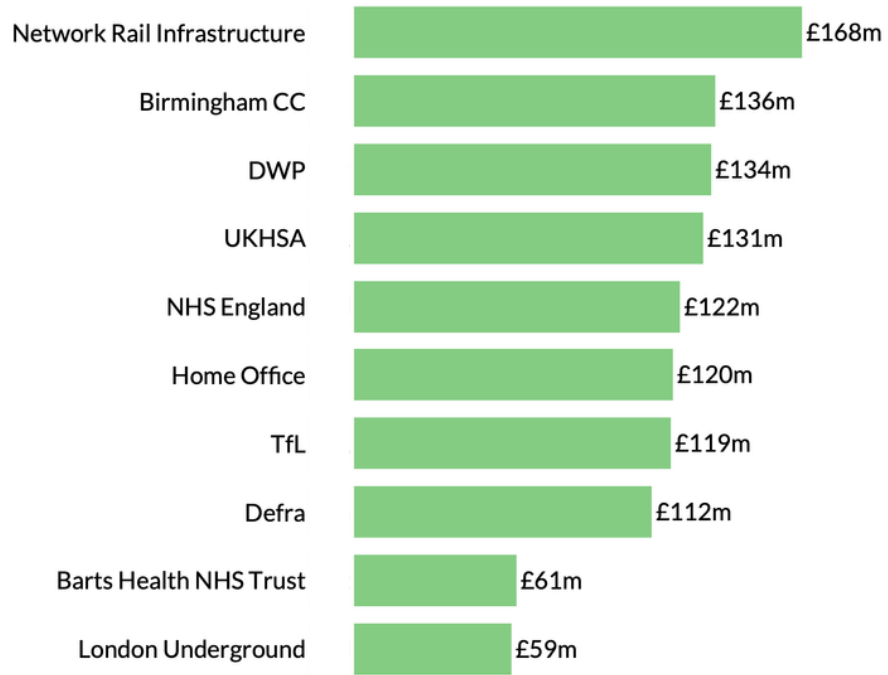
Top firms target different verticals

Top 10 recruitment suppliers by direct public sector revenue & their volume of buyer relationships, by buyer type, FY22/23

	Matrix	AMS	Reed	Impellam	Hays	Acacium Group	Twenty20 Capital	Pertemps	Adecco	Manpower	Grand Total
Local Government	70	2	138	54	176	73	61	12	64	17	286
NHS		5	7	8	13	66	38	10	12	7	106
Central Government	1	39	13	4	23		9	1	16	13	64
Blue Light	9	1	25	2	29		15		22	6	60
Transport		1	3	1	2					1	5
Other		3	6	2	1				1		10
Grand Total	80	51	192	71	244	139	123	23	115	44	531

How do we define 'recruitment'?

The public sector recruitment market is defined as direct spend with recruitment suppliers, categorised using a combination of relevant SIC codes, contract and framework analysis. Suppliers such as Ingeus, Reed In Partnership (a subsidiary of Reed Group) and Maximus are excluded from this analysis as they fall under our definition of the employability and skills sector. Where possible, suppliers are shown on a consolidated basis, including relevant subsidiaries. Public sector buyers are also shown on a consolidated basis, including their arms-length bodies and executive agencies. Please reach out to contact@tussell.com for any questions.

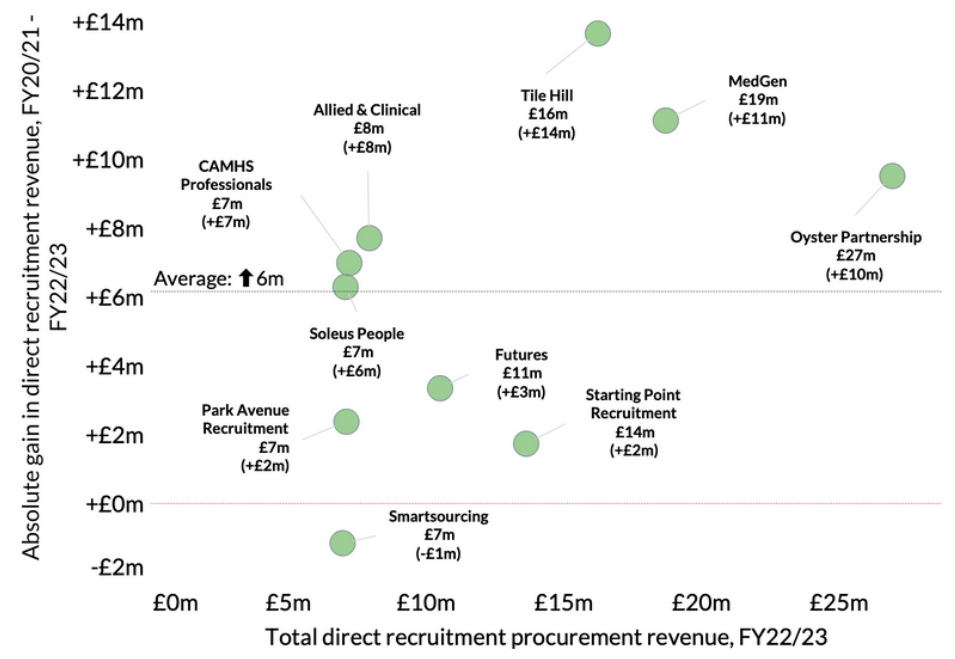


Network Rail is the largest recruitment buyer

10 highest-spending buyers with recruitment suppliers, FY22/23

What does this mean?

Using invoice data is an integral way of understanding which contracting authorities are spending the most - and with whom - in this space. How does this data inform your current public sector business strategy?



Up-and-coming SMEs to keep an eye on

10 highest-earning SME recruitment suppliers by direct public sector revenue, FY22/23; absolute gain in direct revenue, FY20/21 - FY22/23

What does this mean?

Despite the top 10's market dominance, some SMEs are still making headway. For larger firms, tracking these up-and-coming firms' market activity can inform your M&A strategy. For smaller suppliers, consider: how do you differentiate yourself against these similarly sized competitors? Might there be scope to partner with these firms?



Learn about the Employability & Skills market

Download our 2023 market snapshot

[Download the snapshot](#)



These companies sit at the heart of government

Learn about the 39 'Strategic Suppliers'

[Download the report](#)



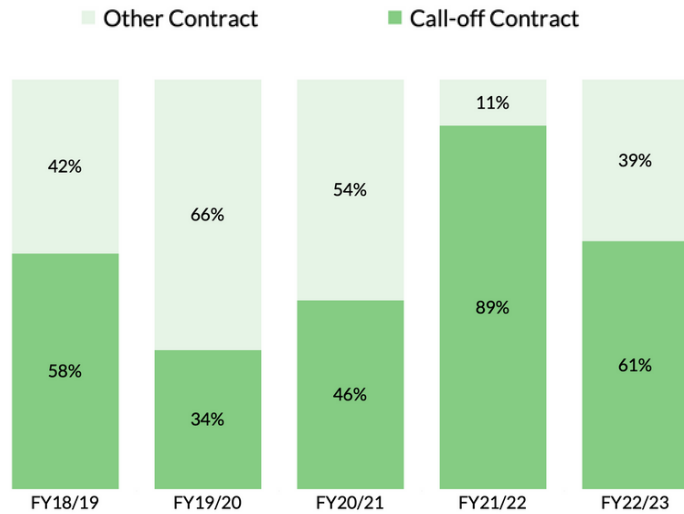
What trends are shaping the recruitment market?

We sat down with Sanderson G&D to get their perspective on the forces shaping this sector

[Read our analysis](#)

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Framework agreements

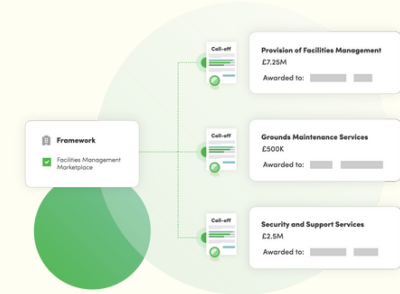


Frameworks are an integral route-to-market in this sector

Proportion of recruitment contracts awarded under a framework agreement, FY18/19 - FY22/23

What does this mean?

If you want to win more work in the public sector recruitment market, you need to be leveraging the right framework agreements. Need a frameworks refresher? [Read our framework explainer guide.](#)



Every public sector framework all in one place

Tussell is the only market intelligence platform that [matches call-off contracts](#) to the frameworks they were awarded under, letting you see which agreements are really being used by your target accounts and competitors.

[Book a demo](#)

Central Government

1	Managing Temporary and Permanent Recruitment	£151m
2	Non Clinical and Temporary Fixed Term Staff	£57m
3	Public Sector Resourcing Award	£40m
4	Digital Technology Services	£13m
5	Clinical and Healthcare Staffing Framework	£10m

Local Government

1	Managed Services for Temporary Agency Resources	£154m
2	Managing Temporary and Permanent Recruitment	£40m
3	Managed Services	£1m
4	Non Clinical and Temporary Fixed Term Staff	£1m
5	Strategic HR Services	£1m

NHS

1	Non Clinical and Temporary Fixed Term Staff	£8m
2	Clinical and Healthcare Staffing Framework	£8m
3	Flexible Resource Pools – Staff Bank	£8m
4	National and International Permanent Recruitment Solutions	£2m
5	Permanent Recruitment 2	£2m

Specific frameworks hold the keys to more work

Top 5 frameworks by value of recruitment contract call-offs, by buyer type, FY22/23

What does this mean?

Not all framework agreements are created equal. Leveraging framework intelligence can tell you which agreements are truly being used by your target accounts to award contracts, and which your competitors are currently winning work through.

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Looking ahead to future opportunities

	Contract End Date								Grand Total
	2024		2025				2026		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Central Government	£32m	£108m	£31m	£1.7b	£102m	£26m	£1.2b	£151m	£3.4b
Transport	£24m	£428m			£570m	£10k	£440k		£1.0b
Local Government	£126m	£138m	£213m	£252m	£83k	£118m	£101m	£15m	£963m
NHS	£3m	£38m	£7m	£2m	£2m	£8m	£3m	£85k	£63m
Blue Light	£842k	£975k	£474k	£5m	£3m		£295k	£44k	£12m
Other	£24m	£11m	£5m	£8m	£35m	£5m	£9m	£400k	£98m
Grand Total	£210m	£724m	£256m	£2.0b	£712m	£156m	£1.3b	£166m	£5.6b

Billions of pounds worth of contracts will roll-off soon - are you prepared?

Recruitment contracts expiring Q3 2024 - Q2 2026, by buyer group

What does this mean?

£5.6b worth of recruitment contracts are due to expire within the next 2 years. Proactively building a pipeline of these opportunities is key for developing a long-term public sector business strategy.

What does this all mean?

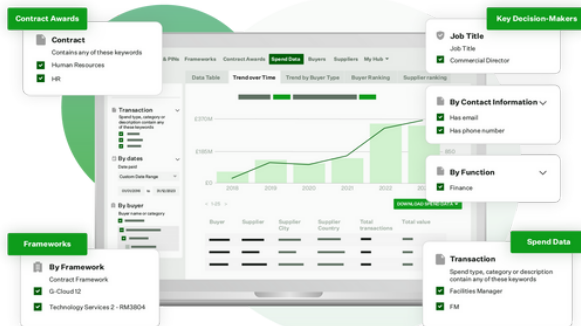
Tens of thousands of people are recruited into the public sector each year. As the public sector continues to expand, so will the demand for recruiters to help facilitate this.

But while market opportunities are plentiful, so is the competition. The 10 largest suppliers occupy a majority of the market, having successfully capitalised on framework agreements to build relationships with thousands of contracting authorities across the public sector.

If you're looking to expand into the public sector recruitment market, it's critical that you not only keep these organisations on your radar, but also learn from their successes. Equally, if you are one of the top 10 yourself it's imperative you keep an eye on who your fellow market leaders are doing business with, and where you can expand. To get ahead in this market, all suppliers should:

- *Harness market intelligence* to understand the lay of the land: who is buying the recruitment services you're selling, how well are your competitors doing, and which opportunities can you pre-empt?
- *Use data to identify which frameworks are really being used* by your target accounts to award recruitment work, and which your competitors are already using.
- *Start building relationships with key decision-makers* within the contracting authorities you want to break into so that you're in pole position when the tender lands.

All the data in this report came from Tussell's online market intelligence platform



Leading recruitment suppliers and influential buyers are already harnessing Tussell's insights



[Book a demo](#)