

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Candidate shortages contribute to slower rise in staff appointments in June

Key points:

- Permanent placements and temp billings continue to rise, but not as sharply as previous months
- Candidate availability deteriorates at steeper pace
- Robust demand for staff leads to further marked rises in pay

Summary:

The IHS Markit/REC Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Softer increase in staff appointments...

Permanent staff placements and temporary billings both continued to rise sharply in June, despite rates of expansion easing to eight- and three-month lows respectively.

...as candidate availability falls at sharper rate

Lower candidate availability was cited as a factor hampering growth in staff appointments. Notably, both permanent and temporary worker availability declined at sharper rates at the end of the second quarter.

Steeper increase in staff vacancies

Staff vacancies continued to rise sharply in June. Growth of demand for permanent staff edged up to a seven-month high, while short-term vacancies rose at a slower yet still strong rate.

Pay pressures remain historically marked

Salaries awarded to staff placed in permanent jobs increased further in June, with the rate of inflation

holding close to a three-year high. At the same time, temporary/contract rates of pay also rose sharply, with the rate of growth broadly similar to April's two-year peak.

Regional variation

The Midlands saw the steepest expansion in permanent placements of all four monitored English regions, while the weakest upturn was noted in London.

Growth of temp billings was strongest in the North of England, while the weakest increase was registered in the South of England.

Sector variation

Demand for staff rose across both the public and private sectors at the end of the second quarter, though growth of vacancies remained sharper across the latter.

The steepest increase in demand for staff was seen for private sector permanent workers. The slowest, albeit still marked, rise was seen for public sector permanent staff.

June survey data indicated that permanent staff vacancies rose across all ten monitored job categories. IT & Computing and Engineering led the overall upturn in demand for permanent workers. The weakest increase in vacancies was seen for Retail.

Blue Collar topped the rankings for demand for short-term staff during June, followed by Nursing/Medical/Care. The only sector to not register increased demand for temporary workers was retail, as vacancies stagnated.

Neil Carberry, REC Chief Executive says:

“It’s a great time for people looking to take the next step in their careers, as employers compete for new staff in a tight market. It’s a candidate’s market out there.

“Across the majority of sectors, both temporary and permanent opportunities are growing, and a lack of candidates means it is no surprise to see starting pay also rising.

“Recruiters report that some of this high vacancy rate may be driven by good demand from companies not being matched by candidate willingness to move in the face of the current economic uncertainty.

“The one sector that stands out as in a different place is retail. Placements are stagnating as the sector reshapes quickly, driven by changing customer demand and stiff competition. But the type of customer service skills retail workers develop are in huge demand in other sectors, and the sheer size of our retail sector means there are still opportunities in stores.”

Full reports and historical data from the Report on Jobs are available by subscription. Please contact economics@ihsmarkit.com

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Note to Editors:

The Report on Jobs is a monthly publication produced by IHS Markit on behalf of the Recruitment & Employment Confederation. The report features original survey data which provides cross-sector and pan-region analysis of the UK labour market, drawing on original survey data provided by recruitment consultancies.

The Report features original research data from IHS Markit, collected via questionnaire from a panel of 400 UK recruitment and employment consultancies. In 2016/17, recruiters placed nearly a million people into a new permanent job and on any given day there are 1.3 million temporary agency workers active in the labour market. Data for the monthly survey were first collected in October 1997 and are collected at the end of each month, with respondents asked to specify the direction of change in a number of survey variables.

All Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with reading of exactly 50.0 signalling no change on the previous month. Readings above 50 signal an increase or improvement; readings below 50 signal a decline or deterioration. Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

A regional Report on Jobs series is available comprising four regional reports tracking labour market trends across the Midlands, the North of England, the South of England and London. The reports are designed to provide a comprehensive and up-to-date guide to labour market trends and the data are directly comparable with the UK Report on Jobs.

About the Recruitment & Employment Confederation

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Jobs transform lives, which is why we are building the best recruitment industry in the world. As the professional body for recruitment we're determined to make businesses more successful by helping them secure the people they need. We are absolutely passionate and totally committed in this pursuit for recruiters, employers, and the people they hire. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com

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