

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: Midlands

Permanent placements continue to increase

Key points:

- Candidates placed into permanent job roles increased but at a softer pace
- Availability of permanent and temporary staff declines
- Starting salaries increase at slightly slower pace

Summary:

The Report on Jobs: Midlands contains original data from the survey of recruitment and employment consultants in the Midlands. The report is 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.

Growth in permanent placements eases

Recruitment agencies recorded a further rise in permanent placements during June, with respondents linking the expansion to strong client demand. The rate at which candidates were placed into permanent roles in the Midlands was the fastest across all four localities, despite registering the slowest pace in the region since January. Meanwhile, candidate placements rose at the slowest pace in eight months at the UK level.

June saw temp billings increase again in the Midlands at the end of the second quarter. Anecdotal evidence suggested that strong demand for short-term staff underpinned the latest upturn. That said, the pace of expansion decelerated from the prior survey period to the slowest rate observed over the past eight months. Furthermore, temp billings increased across all English regions at the end of the second quarter, underpinning the overall rise across the UK as a whole. The North of England recorded the fastest increase of the four localities, while the South of England experienced the softest expansion.

The number of vacancies for permanent candidates increased again in the Midlands, though the degree to which demand strengthened slowed from May. Demand for temporary/contract candidates also rose, though to a lesser extent than that observed in the prior survey period. That said, demand growth for both permanent and temp staff remained greater in the Midlands than across the UK as a whole.

Candidate availability for permanent roles contracts further

In June, the pool of available candidates for permanent positions shrank further in the Midlands. A shortage of skilled potential employees and high employment were behind the reduction in availability, according to panel members. The rate of decline remained substantial, despite easing from May and posting a slower pace in the region than the UK average. Moreover, the pace of decline accelerated at the UK level, reflecting stronger contractions in the South of England and the North of England.

June survey data indicated a continued contraction in temp candidate availability in the Midlands. Recruitment agencies generally linked the decline to a shortage of suitable potential employees. The pace at which availability reduced was marked and broadly in line with that observed in the previous month. Latest jobs data signalled a sustained contraction in the candidate pool for temporary positions across the four monitored regions during June. The sharpest decline was observed in the North of England whereas London experienced the softest fall. The rate of decrease intensified across the UK as a whole.

Permanent salaries increase at softer pace

Starting salaries rose at a marked pace during June, despite the rate of inflation easing slightly from the previous month. Furthermore, permanent salaries

rose at a faster rate in the Midlands than that observed across the UK as a whole. Greater starting pay was the result of higher employment and certain skill shortages, according to panellists. June saw starting salaries rise across the UK for the seventy-fourth month in succession, underpinned by widespread increases in all four monitored English regions. The rate of inflation at the UK level eased from May, but remained marked.

Recruitment agencies operating in the Midlands reported an increase in pay for temporary/contract staff at the end of the second quarter. As was the case with starting salaries, skill shortages underpinned rising wages. Furthermore, the rate of inflation was marked, despite easing from the prior survey period. Average pay rose for temp staff in the UK during June, with expansions observed across all four localities. The North of England experienced a faster pace of inflation, while the other three saw softer rises at the end of the second quarter.

Comment:

REC director of policy Neil Carberry 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.”

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Note to Editors:

The Report on Jobs: Midlands is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the East Midlands and West Midlands regions. The consultancies are drawn from IHS Markit's UK Report on Jobs panel.

Monthly survey data were first collected in October 1997 and are collected in the end of each month, with respondents asked to specify the direction of change in a number of survey variables. 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.

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.

About the Recruitment & Employment Confederation

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