

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: South of England (excluding London)

Staff appointments expand at slower rate amid low candidate availability

Key points:

- June data signals weaker increases in permanent placements and temp billings
- Sharp reduction in worker availability leads to marked rates of pay inflation
- Demand for both permanent and temporary staff rises sharply

Summary:

The Report on Jobs: South contains original data from the survey of recruitment and employment consultants in the South of England (excluding London). 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 staff appointments at seven-month low

Although permanent placements in the South of England rose solidly during June, the latest increase was the softest recorded since last November. Furthermore, the rate of growth was weaker than that seen across the UK as a whole. Low candidate availability was cited as having limited the latest expansion in permanent staff appointments. Notably, all English regions bar the North of England registered weaker increases in permanent placements during June.

June data signalled only a modest increase in temp billings in the South of England. Notably, the rate of growth was the slowest in the current 24-month sequence of expansion and the weakest of all four monitored English regions. Nonetheless, growth in temp billings also moderated at the UK level. Again, the only monitored English region to buck the overall slowdown trend was the North of England, which saw the quickest upturn in temp billings since last November.

The number of permanent and temporary job vacancies in the South of England continued to rise sharply at the end of the second quarter. That said, growth of demand for staff in the region remained weaker than that seen at the national level in both cases.

Permanent staff availability declines at steeper rate

The availability of candidates to fill permanent job roles in the South of England continued to fall at a historically sharp rate in June. Moreover, the latest reduction in permanent labour supply was the quickest recorded since January and faster than the UK average. A steeper decline was also seen in the North of England, while rates of contraction eased in the Midlands and London. At the national level, permanent labour supply fell at the fastest rate for five months.

Recruitment consultancies based in the South of England signalled a further steep reduction in the availability of short-term workers in June. Although the rate of deterioration softened since May, it remained much quicker than seen on average over the series history. Temp labour supply across the UK fell at the steepest pace since last November. A sharp and accelerated reduction in the North of England, alongside a quicker decline in London, offset softer falls in the Midlands and the South of England.

Pay pressures remain marked

Salaries awarded to newly-placed permanent workers in the South of England continued to rise sharply in June amid reports of efforts to attract and secure applicants. The pace of salary inflation remained sharp, despite easing from May's recent peak, and was also quicker than seen at the UK level. Rates of pay growth remained historically marked in all four English regions, with the quickest

rise noted in the North of England.

Temporary/contract staff hourly pay rates also rose markedly across the South of England during June. Although easing for the second month in a row, the increase was the strongest recorded of all four monitored English regions and comfortably above the series long-run trend. The slowest, but still solid, rise in short-term pay was seen in London.

Comment:

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.”

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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 now 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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