

## News Release

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

## Softer increases in both permanent placements and temp billings in August

#### Key points:

- Permanent placements growth slows, while temp billings rise only slightly
- Sustained fall in candidate availability underpins sharper increases in pay
- Permanent and temporary staff demand strengthens

#### 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.

#### Permanent staff appointments rise at softer pace

Recruitment consultancies based in the South of England indicated a further rise in permanent placements during August, thereby extending the current sequence of expansion to 25 months. Although the rate of growth eased since July, it was sharp overall and broadly in line with the series average. At the UK level, permanent staff appointments rose at the quickest rate since March. Notably, all four of the monitored English regions registered robust rates of expansion, led by London.

Survey data for August signalled a sustained rise in temp billings received from the employment of temporary/contract staff in the South of England. That said, the rate of increase was marginal and the softest seen in the current 26-month period of growth. Temp billings growth also eased at the UK level, but remained steep overall. Weaker rates of expansion were also seen in the North of England and London, while the Midlands was the only

monitored English region to note a stronger rate of increase.

The number of permanent job vacancies in the South of England rose at a sharp and accelerated pace in August. Notably, the rate of increase reached a nine-month record and outstripped the UK average. Growth of demand for temporary staff also picked up in the region and was broadly similar to that seen across the UK as a whole.

#### Temp worker availability declines at softest rate since January 2014

Although falling solidly in August, the number of workers available for temporary work in the South of England declined at the weakest rate since January 2014. Furthermore, the reduction in temp labour supply was the softest seen of all four monitored English regions. Temporary candidate availability at the national level meanwhile fell at the slowest rate for five months, with weaker rates of decline registered across all four monitored English regions.

Permanent candidate availability in the South of England fell further in August. Notably, the rate of contraction quickened since July and was sharper than the series long-run average. As has been the case in each of the past three months, the South of England registered the quickest decline in permanent labour supply of all four monitored English regions. At the UK level, permanent candidate numbers fell at a similarly sharp pace to that seen in July.

#### Starting salary inflation hits 11-month high

After slipping to a 19-month low in July, the rate of starting salary inflation in the South of England accelerated in August. Moreover, the latest increase in starting pay for permanent workers was the quickest recorded since September 2017 and the

strongest of all four monitored English regions. According to panellists, low candidate availability had underpinned greater salaries. The upturn in starting salaries was broad-based, with all four English regions monitored by the survey recording steep rates of inflation. The softest, but still marked, increase in pay was seen in London.

Recruitment consultancies in the South of England signalled a sustained rise in hourly pay rates awarded to temporary/contract staff. The rate of wage inflation quickened since July and remained sharper than the historical average. Notably, the increase in temp pay was the strongest seen of all four English regions monitored by the survey. In contrast, temp wage inflation softened to a five-month low at the UK level, with the remaining three English regions all registering weaker rates of pay growth.

#### Comment:

#### **Neil Carberry, Chief Executive at the REC says:**

*“Businesses are getting on with it driving Britain’s growth – jobs are being created and starting salaries are rising. There are big opportunities out there for candidates right now looking for a new role.*

*“But how long our labour market can defy gravity if the shape of our future trading arrangements with the EU remain unclear is the big question. Companies are starting to implement contingency plans now – and those who aren’t will need to step up progress.*

*“The biggest long-term question on jobs is how they will be affected by new technology and stiff price competition driven by value-conscious consumers. For recruiters, helping people find pathways from sectors like retail into growing sectors will both boost opportunity and address candidate shortages in key sectors.”*

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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](mailto: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](http://www.rec.uk.com)

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