

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 01:01 (London) September 7th 2018

Report on Jobs: Midlands

Permanent placements in the Midlands increase at weakest rate in 18 months

Key points:

- Midlands see weakest growth of permanent placements regionally
- Temporary billings rise sharply
- Availability of candidates continues to fall markedly

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.

Permanent placements rise at weakest rate since February 2017

August survey data signalled a further increase in permanent placements across the Midlands. Although strong overall, the upturn in full-time hires softened to an 18-month low. Moreover, the rise in the Midlands was the slowest of the four monitored English regions and below its long-run series trend. Meanwhile, permanent placements across the UK rose further in August, with growth accelerating to the fastest since March. This was driven by quicker expansions in London and the North of England.

Recruitment consultancies operating in the Midlands indicated a further rise in temporary billings. The upturn was the quickest for three months and sharp overall. The Midlands signalled the fastest upturn in temp billings of the four monitored English regions. Furthermore, temporary billings continued to rise at a strong rate at the UK level, despite growth easing to a 22-month low.

Vacancies for permanent staff across the Midlands continued to increase in August, albeit at a weaker rate. The pace of growth eased to the slowest since February 2017, but was marked nonetheless. Similarly, temporary vacancies rose at a marked, but softer, rate. Demand for part-time workers increased at the weakest pace since December 2016, but one that was broadly in line with the UK average.

Candidate availability decreases at marked rate

Recruitment agencies across the Midlands reported a marked reduction in permanent candidate availability in August. The fall in jobseeker numbers accelerated to the fastest since May. Nevertheless, the decline was broadly in line with that seen at the UK level. Of the four monitored English regions, the fastest fall was recorded in the South of England.

Temp staff availability deteriorates at weakest rate for five months

The availability of temporary workers, both skilled and unskilled, declined further in August. Shortages of candidates remained marked, but the rate of deterioration eased to the slowest in five months. The fall in temp staff supply in the Midlands was the quickest of all four monitored English regions. Although the pool of temporary candidates at the UK level decreased sharply in August, the reduction was the weakest since March.

Permanent starting salaries rise markedly in August

The rate of inflation in starting salaries across the Midlands accelerated in August to the fastest in three months. Moreover, starting pay increased at a slightly faster rate than the UK average. Shortages of skilled and unskilled labour reportedly drove the latest rise in salaries. Meanwhile, permanent starting

salaries across the UK increased sharply in August, extending the current sequence of inflation that began in May 2012. Salary pressures stemmed from strong demand for candidates, with the fastest regional rise evident in the South of England.

Pay rates for temporary workers continued to rise at a steep pace across the Midlands. Although easing to a six-month low, the rate of wage inflation was the second-fastest of the four monitored English regions (behind the South). Strong demand for temp workers was commonly cited as a factor behind pay increases. Temporary pay rates in the UK rose at a sharp, albeit weaker, pace according to the latest data. Three of the four monitored English regions registered a softer rate of wage inflation, with the South of England bucking the trend.

Comment:

Neil Carberry, Chief Executive at 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.”

For further information, please contact:

REC

Liz Banks, REC Press Office, 0207 009 2157

Supported by Speed Communications – Kerry Grove kerry.grove@speedcomms.com, 0117 906 4517

IHS Markit (technical/data queries):

Siân Jones, Economist, Telephone 01491 461017 / sian.jones@ihsmarkit.com

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

Dorset House, First Floor, 27-45 Stamford Street, London, SE1 9NT. Tel: 020 7009 2100 Website: www.rec.uk.com

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