

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 01:01 (UK) July 6<sup>th</sup> 2018**

# Report on Jobs: North of England

## Strong demand for staff drives starting pay higher as candidate numbers fall

### Key points:

- Permanent job vacancies increase at sharpest pace in ten months
- Steepest decline in jobseekers for permanent roles in year-to-date
- Starting pay inflation among the strongest in four years

### Summary:

The Report on Jobs: North contains original data from the survey of recruitment and employment consultants in the North of England. 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.

### Reacceleration in growth of permanent staff appointments

Permanent staff placements in the North of England rose further during June, extending the current period of expansion to 62 months. Moreover, the pace of growth picked up from May's recent low and was marked overall. Recruitment consultancies that reported greater numbers of people placed into permanent job roles cited improved client demand. Growth of permanent staff appointments in the UK softened to the weakest in eight months during June. Slowdowns were noted in the other three English regions monitored by the survey. The upturn was led by the Midlands.

Jobs data for June showed an accelerated increase in temp billings across the North of England. The rate of expansion quickened for the second month in a row, to reach its highest since November 2017. The upturn was above both its long-run trend and the UK average. Conversely, weaker rises in temp billings were registered in the remaining three

English regions. As a result, growth at the UK level eased in June to the slowest in three months.

Job vacancies in the North of England remained on an upward trend, with June seeing rates of expansion in demand for both permanent and short-term workers outpace the respective averages for the UK as a whole.

### Steepest drop in temp availability since December 2000

Temp labour supply in the North of England decreased at the sharpest rate in seventeen-and-a-half years during June. According to recruitment consultancies, the steep drop was due to high employment levels. In fact, the reduction was the fastest seen of all four English regions. Candidate numbers for short-term positions in the UK as a whole fell at the quickest rate since November 2017.

As has been the case for almost five-and-a-half years, permanent candidate numbers in the North of England worsened in June. Moreover, the pace of reduction was sharp and accelerated to the quickest in 2018 so far. Anecdotal evidence suggested that the fall in jobseekers reflected a combination of higher employment and workers sticking to current positions. Trends for permanent candidate numbers varied. While all four English regions continued to post declines, slowdowns were evident in London as well as the Midlands and an acceleration was seen in the South of England. Candidate availability at the UK level contracted to the greatest extent since January.

### Permanent starting salary inflation in the North strongest of the four English regions

Reflecting counteroffers and ongoing efforts to boost applicant numbers, pay awarded to newly-placed

permanent staff in the North of England rose further at the end of the second quarter. The rate of salary inflation was sharp and little-changed from May's 45-month peak, thereby remaining the highest of all four English regions. Despite remaining sharp in all cases, rates of increase in permanent starters' salaries softened in a broad-based fashion. In the Midlands, the latest rise was the slowest in two months, while inflation moderated to three- and five-month lows in London and the South of England respectively.

Recruitment consultancies operating in the North of England signalled higher pay awarded to short-term staff during June. The rise was the seventieth in as many months, and the strongest since last September. That said, the rate of wage inflation was below the national average. The North of England was the only English area to see a pick-up in temp wage inflation at the end of the second quarter, with slowdowns noted elsewhere.

#### Comments:

**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."*

**For further information, please contact:**

**REC**

Liz Banks, REC Press Office, 0207 009 2157

Supported by Speed Communications – Kerry Grove [kerry.grove@speedcomms.com](mailto:kerry.grove@speedcomms.com), 0117 906 4517

**IHS Markit (technical/data queries):**

Pollyanna De Lima, Principal Economist, Telephone 01491 461075 / [pollyanna.delima@ihsmarkit.com](mailto:pollyanna.delima@ihsmarkit.com)

**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 around 100 recruitment and employment consultancies across the North East, North West and Yorkshire & Humber regions. 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 five regional reports tracking labour market trends across the Midlands, the North of England, the South of England, Scotland 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**

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

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)

**About IHS Markit**

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

*IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.*

© Copyright in the Report on Jobs, including the Report on Jobs survey data, is owned by IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. IHS Markit is a registered trade mark of IHS Markit Ltd. and/or its affiliates.