

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Staff placements rise further, while candidate shortages fuel higher starting salaries

Key points:

- Stronger expansion in permanent placements, but temp billings growth softens
- Starting salaries increase at second-fastest rate in over three years
- Staff vacancies continue to rise at historically marked pace

Summary:

The IHS Markit/REC Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Permanent placements expand at quicker pace...

Permanent staff placements rose at the steepest rate for five months in August amid reports of robust demand for staff. Temp billings meanwhile increased at a rate that, though still sharp, was the softest recorded since October 2016.

...buoyed by further sharp rise in vacancies

Demand for staff remained strong during August. Notably, vacancies expanded at a pace that was only fractionally slower than July's eight-month record. Encouragingly, steep increases in demand were seen across both permanent and temporary job categories.

Permanent starting salaries rise at sharper pace...

Average starting salaries awarded to newly-placed permanent staff rose at the second-sharpest pace for over three years in August. At the same time, short-term pay rates also increased strongly, despite the rate of inflation softening from the previous month.

...driven by further drop in labour supply

The availability of both permanent and temporary candidates declined further in August, with a number of panellists blaming this on the low unemployment rate. While permanent labour supply contracted at a similarly sharp pace to that seen in July, temporary worker availability fell at a slightly softer pace.

Regional variation

Sharp rises in permanent staff appointments were registered across all four monitored English regions in August, led by London.

Across all four monitored English regions, the Midlands posted the quickest rise in temp billings, while the weakest upturn was seen in the South of England.

Sector variation

Demand for staff rose across both the public and private sectors during August, with the latter noting the fastest increases in job vacancies.

Overall, the strongest upturn in demand was registered for permanent workers in the private sector. The weakest, but still strong, rise in vacancies was seen for permanent public sector staff.

Of the ten broad job categories monitored by the survey, IT & Computing once again led the rankings for permanent job vacancies in August. That said, marked increases in demand were also seen across all other sectors with the exception of retail, where vacancies stagnated.

Demand for temporary/contract staff rose across nine of the ten broad job categories during August, led by Blue Collar and Hotel & Catering. Retail was the only sector to register lower temp staff demand.

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.

A regional Report on Jobs series is 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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