

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: London

Permanent placements rise only slightly in June

Key points:

- June data signals weakest increase in permanent placements for nine months
- Permanent starting salaries and temp pay both rise at softer rates
- Candidate availability continues to decline sharply

Summary:

The Report on Jobs: London contains original data from the survey of recruitment and employment consultants in the capital. 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 expand at weakest rate for nine months

The number of candidates placed into permanent roles in the capital increased again in June. That said, the rate of growth was the softest seen in the current nine-month sequence of expansion and only marginal. Furthermore, the pace of increase was much weaker than the national trend. Notably, all monitored English regions bar the North of England registered weaker increases in permanent placements.

Billings received from the employment of temporary workers in London increased in June, as has been the case in each of the past 23 months. Despite moderating from May's recent peak, the rate of growth remained sharp overall and was quicker than the UK average. 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.

Vacancies for both permanent and temporary roles in London continued to rise sharply at the end of the

second quarter. Notably, growth of demand for permanent staff reached its highest since last October. However, on both fronts rates of increase remained comparatively slower than the respective UK-wide averages.

Decline in permanent candidate supply softens, but remains sharp

Recruitment consultancies based in London signalled a drop in permanent candidate availability for the sixty-first successive month in June. Although the rate of reduction softened from May, it remained historically sharp and was stronger than seen at the national level. A weaker rate of contraction was also seen in the Midlands, while steeper declines were evident in the South and North of England. At the national level, permanent labour supply fell at the fastest rate for five months.

The number of candidates available for short-term job roles in the capital declined further in June, with the rate of reduction quickening slightly since the previous month. That said, the fall was softer than that seen across the UK as a whole, which registered the quickest drop in seven months. 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.

Starting salary inflation remains sharp

Permanent starters' salaries in London continued to rise sharply at the end of the second quarter, according to latest jobs data. That said, the rate of salary inflation was the slowest seen in three months and the weakest of all four monitored English regions. Rates of pay growth remained historically marked elsewhere, with the quickest rise noted in the North of England.

Latest survey data signalled a further rise in hourly rates of pay awarded to short-term workers in

London. However, the rate of pay growth was the weakest recorded for 15 months and much weaker than the UK average. The strongest rate of wage inflation was recorded in the South of England, while the slowest 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.”

-End-

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Note to Editors:

The Report on Jobs: London is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies in the capital. 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

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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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