

## News Release

**MARKET SENSITIVE INFORMATION**  
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### Report on Jobs: Midlands

#### Permanent placements growth reaches seven-month high

##### Key points:

- Staff appointments continue to rise sharply in the Midlands
- Demand for permanent workers at 17-month high
- Steep falls in staff availability add further upward pressure on pay

##### 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.

##### Growth in permanent placements accelerates

Latest survey data signalled a further marked upturn in the number of people placed into permanent job roles in the Midlands. Notably, the rate of expansion was the most marked in 2017 to date. The latest increase was also the sharpest of all UK regions monitored by the survey. Alongside steeper rates of growth in the North and South of England, the Midlands supported the quickest rise in permanent placements across the UK as a whole for 27 months.

Recruitment consultancies in the Midlands indicated a further steep increase in temp billings at the start of the third quarter. This was despite the rate of growth softening to a three-month low. The latest expansion in temp billings was also weaker than seen at the national level, with the UK as a whole registering the quickest rise for nearly two-and-a-half years. Temp billings growth also softened in London and Scotland, but strengthened elsewhere.

Demand for permanent workers in the Midlands increased at the fastest rate since February 2016

during July. That said, growth of job vacancies was slightly weaker than seen at the UK level. July data indicated that demand for short-term staff in the Midlands also remained sharp. As was the case for permanent vacancies, the rate of expansion picked up from June, but remained slower than the UK-wide trend.

##### Permanent candidate supply drops at quickest pace for 17 months

The number of candidates available to take up permanent job roles in the Midlands declined further in July. Notably, the rate of deterioration was the most marked for nearly one-and-a-half years, and matched that seen at the UK level. The supply of permanent labour also fell at a quicker pace in the North of England, while rates of deterioration moderated in the remaining regions.

The supply of temporary labour declined in the Midlands during July, thereby extending the current trend to four years. Moreover, the rate of reduction was the steepest recorded for three months. Meanwhile, the number of short-term candidates available nationally dropped at the fastest rate for 19 months. Temporary candidate availability dipped sharply in all other monitored regions, led by the South of England.

##### Starting salaries rise at quickest rate for over a year

Recruitment agencies in the Midlands signalled a sustained increase in permanent starting salaries in July. Furthermore, the rate of inflation strengthened to a 13-month record. Pay growth also accelerated across the UK as a whole, reaching a 20-month high. Stronger increases in pay were registered in the South of England and Scotland, while inflation moderated in the North of England and in the capital.

The amount of pay awarded to temporary/contract workers continued to rise in the Midlands at the start of the second half of the year. The rate of wage growth remained sharp, despite moderating to a four-month low. Furthermore, the rate of increase was faster than seen at the national level. Temp pay growth also softened in the South of England, but quickened elsewhere.

**Comment:**

**Kevin Green, REC Chief Executive says:**

*“The jobs market continues to confound expectations with permanent placements in the Midlands increasing at the fastest rate for seven months. Starting salaries are also still rising, so for workers who want to boost their earnings now is a good time to consider moving job.*

*“It’s clear that employers are having to work even harder to fill jobs as vacancies rise and candidate availability shrinks. UK employment remains at an all-time high and looks set to keep improving. The parts of the economy most reliant on European workers are under even more pressure as many EU workers return home. Employers are not just struggling to hire the brightest and the best but also people to fill roles such as chefs, drivers and warehouse workers.*

*“We can’t ignore the importance of our relationship with the EU to employers. If we want to keep our jobs market successful and vibrant, we must make it easier, not harder, for employers to access the people they need.”*

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**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**

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