

## News Release

**MARKET SENSITIVE INFORMATION**  
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### Report on Jobs: South of England (excluding London)

#### Strongest rise in temp billings for three years in July

##### Key points:

- Growth in temp billings outstrips that of permanent placements
- South of England sees steepest fall in candidate numbers of all five UK regions
- Starting salaries increase at quickest pace for 20 months

##### Summary:

The Report on Jobs: South contains original data from the survey of recruitment and employment consultants in the South of England (excluding London). 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.

##### Temp billings growth reaches three-year high

July survey data signalled a sharp and accelerated rise in temp billings received by recruitment agencies in the South of England. Furthermore, the rate of growth was the fastest seen for three years and slightly stronger than the UK average. All monitored UK regions registered sharp increases in temp billings, led by the North of England.

Recruitment agencies in the South of England reported a further sharp rise in permanent staff placements in July amid reports of robust demand for staff. The rate of growth picked up slightly since June and remained among the highest seen for the past two years. That said, the rate of expansion was slower than that registered at the UK level. Faster increases in permanent placements were seen in the Midlands and the North of England, while London and Scotland noted weaker rates of growth.

Permanent staff vacancies continued to rise sharply in the South of England during July. Notably, the rate of demand growth picked up slightly since June and

matched that seen for the UK as a whole. Demand for short-term workers also rose markedly in July, with the latest increase the strongest since March. That said, the rate of growth remained below the UK average.

##### Decline in permanent candidate numbers softens, but remains sharp

The availability of labour for permanent roles in the South of England continued to fall sharply in July. This was despite the rate of reduction easing to the weakest in four months. Notably, the pace of deterioration was the quickest seen of all five monitored UK regions. Permanent staff availability fell at sharper rates in the Midlands and the North of England, while softer contractions were noted in London and Scotland.

The supply of short-term labour in the South of England declined for the forty-seventh month in a row in July. The rate of deterioration was unchanged from June's 19-month record and sharp overall. Moreover, the pace of decline was the steepest recorded of all UK regions monitored by the survey. Nonetheless, steep reductions in temp staff supply were also seen in the four remaining regions.

##### Permanent starting salaries increase at quickest rate since late-2015

Permanent starting salaries awarded to successfully placed candidates continued to rise in the South of England at the start of the third quarter. Furthermore, the rate of pay growth accelerated to a 20-month high. Notably, the latest increase in salaries was stronger than seen at the national level. Stronger rates of inflation were seen in the Midlands and Scotland, while pay growth moderated in the capital and the North of England.

Recruitment consultancies in the South of England signalled a sustained rise in hourly rates of pay for

temporary/contract workers in July. The rate of growth remained sharp overall, despite edging down to a four-month low. Temp pay also increased at a slower pace in the Midlands, while rates of wage inflation picked up elsewhere. At the UK level, hourly rates of pay rose at a slightly softer rate than in June.

**Comment:**

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

*“The jobs market continues to confound expectations with permanent placements increasing at one of the fastest rates in the past two years. 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 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 2014/15, 1,197,928 people were employed in either temporary or contract work through consultancies and 633,992 people were placed in permanent positions through consultancies. 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 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](http://www.rec.uk.com)

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