

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 01:01 (UK) September 8th 2017

Report on Jobs: South of England (excluding London)

South of England registers sharper increase in permanent placements in August

Key points:

- Permanent placements and temp billings rise sharply
- Faster declines in both permanent and temporary staff availability
- South of England records strongest increase in starting salaries of all five UK regions

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.

Permanent placements rise at sharper rate

The number of people placed into permanent roles in the South of England increased for the thirteenth successive month in August. Furthermore, the rate of expansion accelerated to a three-month high. At the UK level, permanent staff placements rose at a slightly softer, albeit still sharp, pace. Scotland was the only other monitored region to note a faster rate of expansion, with the Midlands, London and the North of England all noting softer rates of growth.

Billings received from the employment of temporary staff continued to rise sharply in the South of England in August. Notably, the rate of growth was unchanged from July's three-year record. The rate of expansion was similarly sharp for the UK as a whole, with the Midlands registering the quickest upturn in temp billings. However, rates of increase moderated elsewhere, with Scotland seeing the slowest pace of expansion.

Faster drop in permanent candidate supply

Recruitment consultancies in the South of England signalled a further deterioration in the availability of permanent staff in August. Furthermore, the rate of reduction was sharper than seen in the previous month, and the steepest of all UK regions. Nonetheless, the rate of contraction was also sharp at the national level, with all regions bar the North of England registering faster rates of deterioration than in the previous month.

August survey data signalled a sustained drop in the supply of temporary labour in the South of England. Notably, the rate of reduction was the sharpest recorded since November 2015. All monitored UK regions saw stronger deteriorations in temp candidate numbers compared to the previous month, with the Midlands noting the quickest rate of decline.

Starting salary inflation accelerates to 28-month high

Average starting salaries for people placed into permanent roles in the South of England increased again during August. Moreover, the rate of salary inflation quickened to a 28-month peak, and continued to outpace those seen for the other four UK regions monitored by the survey. London was the only other region to see a faster upturn in starting salaries, though rates of increase remained sharp elsewhere.

Temporary wage inflation intensified in the South of England in August and was the second-sharpest for 15 months (after April 2017). The Midlands and London also recorded steeper rates of inflation. At the UK level, short-term pay rates increased at a robust pace that was the fastest seen for 16 months.

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

“As this month’s report clearly shows, employers are increasingly turning to recruitment agencies as it becomes harder to find the people to fill the jobs available. There are two trends at play. Businesses are seeking more professional and managerial capability, so we’re seeing high demand for roles like financial directors, analysts, and compliance and HR professionals. Meanwhile, there is a significant shortage of people to fill blue collar roles such as drivers, electricians, and construction workers, and this is being exacerbated by a fall in net migration from the EU.”

“In many areas of the jobs market candidate supply cannot meet demand. Employers are having to offer more money to secure the people with the skills they need. While the working population in general has experienced a pay squeeze, there are clearly opportunities now to earn more by moving jobs.”

“This is good news for individuals, but businesses will be concerned about the sustainability of this trend. Businesses can only grow if they have access to the people and skills they need. It is essential that the government recognises this by developing an evidence-based immigration system that will support the economy.”

For further information, please contact:

REC

Liz Banks / Alasdair Reynolds, REC Press Office, 0207 009 2157 / 2192

Supported by Speed Communications – Kerry Grove kerry.grove@speedcomms.com, 0117 906 4517

Markit Economics (technical/data queries):

Annabel Fiddes, Principal Economist, Telephone 01491 461010 / annabel.fiddes@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 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.

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

Dorset House, First Floor, 27-45 Stamford Street, London, SE1 9NT. Tel: 020 7009 2100 Website: 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

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