

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 00:01 (UK) March 8th 2017

Report on Jobs: North of England

Joint-fastest rise in permanent placements for 15 months

Key points:

- Growth of staff appointments remains stronger than at UK level
- Rates of inflation for permanent salaries and temp wages weaker than UK averages
- Downturn in labour supply gathers pace

Summary:

The Report on Jobs: North contains original data from the survey of recruitment and employment consultants in the North of England. 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.

Sharp and accelerated expansion in permanent placements

The number of people placed in permanent positions across the North of England increased in February, which recruitment consultants associated with greater market activity. The latest rise was the forty-sixth in as many months, with the pace of expansion picking up to the joint-fastest since November 2015. Growth of permanent staff appointments in the UK climbed to a one-year high during February. With Scotland seeing a rebound in staff placements, the latest increase was broad-based by region. The upturn was led by the North of England.

Exactly 41% of survey participants in the North of England reported higher billings received from the employment of temporary and contract staff, compared with around 16% that signalled a reduction. Subsequently, overall temp billings rose further in February, with the rate of expansion remaining steep. Temp billings also increased in the other four monitored UK regions. Rates of growth eased in the Midlands, the South and London, while Scotland posted a sharper rise that was the most pronounced since December 2015. The North of

England remained the best-performing region on this front.

Growth of job vacancies in the North of England accelerated in February, with rates of expansion for permanent and temporary staff picking up to 22- and 20-month highs respectively. In both cases, the increases in the region were stronger than those seen at the UK level.

Marked drop in job seekers for permanent jobs

The availability of labour willing to undertake permanent employment in the North of England deteriorated again in February, thereby stretching the current sequence of reduction to 49 months. Moreover, the rate of contraction was marked and the quickest since last July. February saw a widespread deterioration in permanent candidate availability. The steepest drop by far came from the South and the slowest from the North. At the UK level, staff availability dipped at the quickest pace in over one year.

February saw a sharp and accelerated drop in candidates for temporary vacancies in the North of England. The respective index has now posted in contraction territory in each month since October 2013. Additionally, the pace of contraction was the most pronounced in five months. Faster reductions in temp labour supply were also registered in the Midlands and the South, while a slowdown was noted in London. Meanwhile, temp availability across Scotland fell, following stagnation in January.

Permanent salaries continue to rise at sharper rate than temp pay

Permanent salary inflation in the North of England remained sharp and above the long-run series average in February, despite easing to a five-month low. One-quarter of recruitment consultants reported higher salaries awarded to newly-placed permanent staff, while 6% signalled a reduction. However, the rate of increase was softer than seen at the UK level.

Robust rises in permanent starting salaries were also recorded in the other four monitored regions. The strongest rate of inflation was again seen in the South.

Wage inflation in the North of England intensified in February, reaching its highest level since August 2016. Around six times as many panellists (12%) reported higher temp pay rates as those that signalled declines (2%). Despite being sharp, the rate of increase remained slower than that seen across the UK temp labour market as a whole. By region, the quickest rate of wage inflation was noted in the South and the slowest in the North. For all regions, permanent salaries rose at quicker rates than temp pay.

Comments:

REC Chief Executive Kevin Green says:

“Although permanent placements have hit a 12 month high, businesses across the UK are finding it increasingly difficult to recruit for permanent roles. The big question still remains about how employers will fill their vacancies.

“The Chancellor is expected to announce a boost for vocational training in today’s budget and this is very welcome. However, it won’t solve the immediate need for people to fill jobs. We’re already seeing acute staff shortages in a variety of sectors, from healthcare to engineering. This is likely to get worse, especially if the Government continues to refuse the rights of EU citizens living in the UK post-Brexit.

“On the flip-side, this is a good time for individuals prepared to move jobs, with bumper pay offers on the table as hirers compete to secure the talent available. In the context of rising inflation and stagnating pay growth, changing employers is becoming a more attractive option for those looking for more money.”

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

IHS Markit (technical/data queries):

Pollyanna De Lima, Economist, Telephone 01491 461075 / pollyanna.delima@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 around 100 recruitment and employment consultancies across the North East, North West and Yorkshire & Humber regions. 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 five regional reports tracking labour market trends across the Midlands, the North of England, the South of England, Scotland 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

About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.

© Copyright in the Report on Jobs, including the Report on Jobs survey data, is owned by IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. IHS Markit is a registered trade mark of IHS Markit Ltd.