

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 01:01 (UK) April 10<sup>th</sup> 2018**

# Report on Jobs: North of England

## Companies bump up starting salaries to entice candidates

### Key points:

- Starting pay for both permanent and short-term labour increases at sharper rates
- Growth of permanent staff appointments slows due to candidate shortages
- Job vacancies in the North of England rise further

### 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.

### Growth of permanent staff appointments eases further

Although jobs data for March showed another marked rise in permanent placements across the North of England, the rate of expansion softened for the second month running to the weakest in 2018 so far. Panel members reported an improved recruitment trend, but indicated that shortages of candidates continued to hamper growth. Slower increases were also noted in three other regions, the sole exception being London where the upturn picked up to the strongest in four months.

Temp billings in the North of England increased further in March, thereby stretching the current period of expansion to 68 months. However, the upturn eased considerably to a rate that was the weakest in over two years and only modest. Moreover, the respective index dipped below its long-run trend. A substantial growth slowdown was also recorded in London, one that was the weakest in 13 months. Faster increases were seen in the Midlands, the South of England and Scotland, with

the latter on top of the regional rankings on this front.

Recruitment consultancies in the North of England signalled greater job vacancies for temporary and permanent positions in March. In both cases, rates of expansion were sharp and above trend, though weaker than those seen across the UK as a whole.

### Sharp drop in permanent candidate supply

Candidate numbers for permanent job roles in the North of England decreased again at the end of the first quarter. The fall was the sixty-second in as many months and sharper than the average recorded over the past year. Participants of the jobs survey mentioned shortages of a wide range of skills such as accountants, developers, drivers and engineers. Similarly, rates of reduction in candidate numbers for permanent positions softened in the other four monitored regions. The quickest drop was evident in the South of England; and the slowest in the capital.

March data showed a further decline in the overall number of candidates willing to undertake short-term employment in the North of England. Having accelerated from February, the rate of reduction was the quickest in the year-to-date and faster than seen at the UK level. The trend for temp supply was mixed on a regional basis. Although deteriorations were noted everywhere, quicker contractions were registered in only two localities: London and the North of England. The steepest fall was recorded in the Midlands.

### North of England sees second-strongest upturn in starters' salaries of five regions

Recruitment consultancies indicated higher starting pay for staff placed into permanent jobs in the North of England during March. Anecdotal evidence suggested that the latest rise reflected efforts to attract suitable candidates. The overall rate of salary

inflation accelerated from the 18-month low noted in February, and surpassed the UK average. Permanent pay for newly-recruited staff continued to increase in a broad-based fashion in March. The strongest rate of salary inflation was seen in the South of England (five-month high) and the weakest in London (eight-month low).

Temp/contract pay rates in the North of England also increased to a greater extent than seen in February. However, in contrast to permanent salaries, the rate of inflation was much softer than at the national level and below its long-run average. Concurrently, temp pay rose in the other four areas of the UK. The only location to note a weaker upturn was the South of England. London registered the strongest rise, one that was the quickest in the current 18-month period of wage inflation.

#### Comments:

**REC director of policy Tom Hadley** says:

*“Permanent placements are growing month on month as demand for staff remains high. More people are entering employment, but it doesn’t make up for the shortfall of candidates for many roles, from cyber security and aerospace through to sewing machinists and drivers.*

*“As a result, employers are increasing starting pay to draw candidates away from current roles into new positions. Growth in pay for temporary roles especially is accelerating. In hospitality, demand for temporary staff is really high, but businesses have had fewer applicants from the EU since the Brexit vote. Employers are working hard to make themselves attractive to UK nationals, but they will still need temporary roles to be filled by EU nationals post-Brexit and the government must allow for this.*

*“Candidates planning to move jobs have a strong chance of getting a pay rise. With inflation outstripping pay growth for over a year now, high pay offers will be tempting, as the pressure on starting salaries still isn’t translating into pay rises for staff who stay put. Employers need to look at other means to keep staff, such as creating a good workplace culture and offering progression opportunities.”*

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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 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](mailto: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**

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