

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: North of England

North of England labour market continues to tighten during September

Key points:

- Staff appointments continued to increase, albeit at slower rate
- Vacancies and permanent salaries rise again
- Skill shortages persist, although staff supply falls at weaker 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.

Permanent staff appointments rise at slower rate

Amid reports of increased client activity and demand for staff, a further rise in permanent staff placements was registered during September. Growth has now been recorded continuously for nearly five-and-a-half years, although the rate of expansion was down since August's six-month peak and below the equivalent reading for the UK. Growth also eased at the UK level, but remained marked overall. Whilst London saw the strongest rise in perm placements since May 2017, rates of expansion were slower elsewhere. The weakest growth was seen in the Midlands, followed by the South of England.

Recruitment agencies in the North of England continued to report growth in temp billings during September. However, the rate of increase was down for a third successive month and the lowest recorded since April. Whilst there were reports of generally firmer demand, a lack of activity in the automotive sector weighed on growth. Temp billings growth was a little firmer at the UK level in September, with all three other monitored English regions registering stronger expansions compared to August. The

Midlands recorded the strongest net rise in temp billings.

September's survey data indicated the continued growth of vacancies in the North of England for both permanent and temporary workers. In each case, growth rates remained marked, but were below the respective UK averages.

Candidate availability for permanent positions deteriorates further

September's survey indicated another decline in candidate availability in the North of England, the sixty-eighth successive monthly fall. However, the degree to which availability deteriorated was noticeably slower and the weakest since April 2017. Permanent candidate numbers also fell at the national level in September, with the steepest reduction seen in the South of England, followed by the Midlands and London.

The availability of candidates for temporary vacancies in the North of England continued to worsen during September. The latest reduction, whilst marked, was nonetheless the weakest recorded since the start of the year and contrasted to a quicker fall seen at the UK level. Notably, availability across the UK as a whole deteriorated to the greatest degree since November 2017. The South of England recorded the sharpest reduction of all four monitored English regions.

Starting salary inflation cools to seven-month low

Latest data showed that permanent salaries continued to increase for newly-placed permanent staff during September. The rate of salary inflation was again marked, but maintained its recent downward trend, hitting its lowest level since February. Moreover, the degree to which salaries in the North of England increased remained well below

the UK average. Notably, starting salaries at the national, level rose at the quickest rate since April 2015. The South of England again led the way in terms of inflation. The Midlands was close behind, followed by London.

Pay rates for newly appointed temporary workers increased again during September, stretching the current run of inflation to over six years. However, the degree to which pay increased was notably weaker, easing to its lowest since March and to a level well below the average for the UK as a whole. By region, London and the South of England saw the strongest rises in short-term pay.

Comments:

Neil Carberry, Chief Executive at the REC says:

“UK businesses are resilient, but they’re struggling to find the people they need to drive growth and opportunity. Recruiters’ specialist skills help to address this, but with Brexit looming a comprehensive mobility deal with the EU will be needed to underpin prosperity. Higher skills investment, driven by a reformed apprenticeship levy, will also be essential.”

“An effective approach to post-Brexit immigration must acknowledge that there is unmet need for roles of all sorts - not just those filled by the very highest earners. Keeping deliveries going, patients being treated and goods on the shelves means an open approach to workers from elsewhere. Businesses understand the need for control - but this is not in conflict with openness to those who come to contribute.”

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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.

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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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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