

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 01:01 (London) October 6th 2017

Report on Jobs: Midlands

Permanent job vacancies increase at quickest rate for over a year-and-a-half

Key points:

- Demand for permanent staff expands sharply
- Midlands sees sharpest rise in permanent placements of all UK regions
- Candidate supply continues to deteriorate

Summary:

The Report on Jobs: Midlands contains original data from the survey of recruitment and employment consultants in the Midlands. 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 continue to rise

September survey data signalled a further marked increase in the number of people placed in permanent job roles in the Midlands. Despite softening slightly since August, the pace of expansion remained marked. Furthermore, of the five monitored regions, the Midlands registered the strongest rate of growth for the third consecutive month. The number of permanent placements also rose in the South and North of England, as well as in Scotland. London was the only region to register a decline, the first since last October.

Recruitment consultancies in the Midlands indicated a sustained rise in temp billings in September. That said, the rate of growth softened to a six-month low. In fact, the Midlands registered the second-slowest upturn out of the five monitored regions. All five regions registered an increase in the number of temp billings in September. Notably, the rate of growth accelerated sharply for Scotland. Elsewhere, rates of growth softened from August. This was also the case at the UK-level.

Permanent job vacancies rose markedly in the Midlands in September. In fact, the rate of growth accelerated to the sharpest for over a year-and-a-half. Meanwhile, the number of short-term positions also increased in September. The rate of growth quickened to a six-month high. Notably, both permanent and temporary vacancies rose at quicker rates than seen across the UK as a whole.

Temp availability deteriorates further

September survey data signalled a further fall in short-term staff availability in the Midlands. The rate of reduction was little-changed from that seen in August and sharp. Some panellists linked the drop to concerns over Brexit, as some workers had reportedly returned to mainland Europe. Furthermore, the availability of short-term workers decreased in all regions across the UK.

The number of candidates available for permanent job roles continued to decrease in September. That said, the rate of contraction softened slightly from August and was slower than the UK average. As well as the Midlands, the other four regions monitored also registered a decline in the number of permanent candidates.

Pay pressures remain sharp in the Midlands

Recruitment firms in the Midlands signalled another increase in permanent starting salaries during September. The rate of inflation strengthened from August, yet remained below the UK average. Wage inflation was also registered in the South, the North, Scotland and London.

The remuneration awarded to temporary/contract workers grew in September. Anecdotal evidence attributed the increase to the lack of available staff and competition for temp workers. The rate at which

temporary pay increased eased from August, but remained above the long-run survey average. Temp rates also increased on average across the UK. All five regions noted increases in wages, led by the Midlands.

Comment:

Kevin Green, REC Chief Executive says:

“Recruiters are finding it even harder to find people to fill vacancies. Candidate availability has been falling for the past four years and the record high UK employment rate plus a slowdown in the number of EU nationals coming to work here is exacerbating the situation, potentially leaving roles unfilled.

“Across the UK permanent placements are slowing, but London is faring worse with placements declining for the first time in eleven months and the financial sector in particular struggling to recruit for roles such as audit, payroll and risk.

“Low-skill roles are also hard to fill in areas like food processing, warehouses and catering – sectors that employ a higher proportion of people from the EU than others across the economy. We urge the government to ensure any new immigration system includes provisions for low-skilled and temporary workers so that warehouses, supermarkets and restaurants can access the people they desperately need.”

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Note to Editors:

The Report on Jobs: Midlands is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the East Midlands and West Midlands regions. The consultancies are drawn from IHS Markit's UK Report on Jobs panel.

Monthly survey data were first collected in October 1997 and are collected in the end of each month, with respondents asked to specify the direction of change in a number of survey variables. 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.

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.

About the Recruitment & Employment Confederation

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