

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 00:01 (UK) April 7th 2017

Report on Jobs: North of England

Growth of permanent appointments slowest in 2017 so far

Key points:

- Rate of expansion in temp billings surpasses that for permanent appointments
- Labour availability deteriorates at sharp and accelerated pace...
- ...placing additional pressure on salaries

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.

Faster rise in temp billings

Agencies' billings received from the employment of temporary and contract staff rose further in March, marking a 56-month sequence of growth. Furthermore, the rate of expansion was steep and the quickest in the year-to-date, with the upturn in the North of England outpacing the UK average again. Temp billings also expanded at quicker rates in three other monitored regions, the exception being the South where a softer rise was noted. The strongest increase was recorded in Scotland.

Recruitment consultants in the North of England reported greater numbers of staff placed in permanent positions during March. The rate of expansion eased to a three-month low, but remained stronger than its long-run average and above that seen across the UK as whole. Jobs data pointed to a widespread rise in permanent staff appointments, with growth also registered in the other four tracked regions. The upturn was led by the South, while the weakest increase was noted in London.

March data indicated that permanent as well as temporary job vacancies across the North of England continued to increase. That said, rates of growth

softened and were at three-month lows in both cases.

Accelerated drop in candidate numbers for permanent jobs

The availability of candidates for permanent vacancies in the North of England deteriorated sharply in March and to the greatest extent since July 2016. Anecdotal evidence highlighted shortages of a wide variety of professionals, including engineers, designers, managers, surveyors, estimators, developers and administrators. Permanent staff availability also worsened across the other four surveyed regions. Rates of contraction slowed in Scotland, the Midlands and the South, but gathered speed in London.

As has been observed in each month since October 2013, the availability of job seekers willing to undertake temporary employment in the North of England fell in March. Having accelerated to the fastest in eight months, the rate of contraction was sharp and matched the UK average. Sales and administrative staff were highly sought after in the latest month, according to recruiters. The supply of labour for temporary positions likewise was down in the additional four UK regions, with rates of deterioration accelerating in London and the Midlands. At the national level, temp availability worsened to the greatest extent since January 2016.

Rate of permanent salary inflation intensifies

Jobs data for March indicated that skill shortages continued to exert upward pressure on salaries. Permanent pay rose at a sharper rate than in February and one that was above the series near-20 year average. Starting salaries awarded to staff placed in permanent jobs across the UK increased further in March. The upturn remained broad-based by region, with the strongest rate of salary inflation again seen in the South. The weakest rise was noted in London.

Remuneration for temporary workers also increased in March, though at a softer rate. Around one-in-ten recruitment consultants signalled higher temp pay rates, while the vast majority of panellists (almost 88%) reported no change since February. Rates of wage inflation softened in London, the South and the Midlands, but accelerated in Scotland (three-month high). At the UK level, temp pay rose at the weakest pace since November 2016.

Comments:

REC Chief Executive Kevin Green says:

“Finding people to do the jobs on offer is rapidly becoming employers’ biggest headache and many are reporting an increasing number of white collar jobs as hard to fill, including in the IT and financial sectors.

“Shortages of appropriately skilled, willing and able candidates were a problem before the referendum. Our concern is that Brexit will make the problem worse, particularly if onerous restrictions are imposed on people coming from the EU to work.

“Also, economic uncertainty about future prospects is having a detrimental effect on employees’ willingness to risk a career move at this time, which seems to be driving down candidate availability. Our data shows London and the South, where financial services jobs are concentrated, as particularly suffering from low candidate availability for permanent job vacancies.

“This shrinking talent pool of available candidates means that businesses are boosting the starting salaries and hourly rates they are prepared to offer to the right candidate. So for job hunters willing to move roles at the moment, there are financial rewards on offer – especially it seems in finance, IT and other management and office-based professional roles.”

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.