

News Release

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

Report on Jobs: Midlands

Staff appointments rise at much slower pace in February

Key points:

- Growth in permanent placements weakens to seven-month low
- Temp billings increase at softest pace since June 2016
- Candidate availability declines sharply for both permanent and short-term roles

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.

Slowest increase in permanent placements for seven months

Growth in permanent staff placements in the Midlands slowed in February. Furthermore, the rate of increase was the weakest seen in the current seven-month sequence of expansion and only modest. Meanwhile, 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.

Recruitment agencies in the Midlands continued to register growth in temp billings during February. That said, the rate of expansion weakened since January and was the least marked since June 2016. Meanwhile, temp billings rose at a slightly softer, albeit still sharp, pace across the UK as a whole. Rates of expansion eased in the South, the North and London, while Scotland posted a sharper rise that was the most pronounced since December 2015. Nevertheless, the North of England remained the best-performing region on this front.

Demand for permanent staff in the Midlands remained strong in February. This was despite the rate of growth weakening to a five-month low that was softer than the overall UK-wide trend. In contrast, demand growth for short-term staff in the Midlands was the sharpest seen since September 2015. The rate of increase was also slightly stronger than the UK average.

Quickest drop in permanent candidate numbers for four months

Agencies based in the Midlands signalled a further sharp fall in the availability of candidates able to fulfil permanent job roles. The supply of permanent candidates has now fallen in each of the past 46 months. Notably, the rate of reduction quickened to its most marked since last October. February saw a widespread deterioration in permanent candidate availability. The steepest drop by far came from the South while the slowest, although still sharp, from the North. At the UK level, staff availability dipped at the quickest pace in over one year.

The supply of candidates available to take up short-term roles in the Midlands continued to decline in February, thereby extending the current trend of reduction to 43 months. The rate of deterioration was sharp overall, and similar to that seen for the UK as a whole. Faster reductions in temp labour supply were also registered in the South and the North, while a slowdown was noted in London. Meanwhile, temp availability across Scotland fell, following stagnation in January.

Salary growth strengthens to eight-month record

Starting salaries awarded to people placed in permanent roles in the Midlands increased again in February. Furthermore, the rate of inflation accelerated to an eight-month high that was nearly identical to the UK average. Robust rises in permanent starting salaries were recorded in each of

the other four monitored UK regions. The strongest rate of increase was again seen in the South.

Recruitment agencies in the Midlands signalled a further rise in hourly pay rates during February. Furthermore, the rate of wage inflation picked up since January and was slightly stronger than that

seen for the UK as a whole. Temp pay rates also rose in the other UK regions tracked by the jobs survey. The quickest rate of wage inflation was noted in the South and the slowest, though still sharp, in the North. For all regions, permanent salaries rose at quicker rates than temp pay.

Comment:

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

Markit Economics (technical/data queries):

Annabel Fiddes, Economist, Telephone 01491 461010 / annabel.fiddes@ihsmarkit.com

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

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 (www.ihsmarkit.com)

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: Midlands, 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.