

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: North of England

Job vacancies rise to greatest extent in nearly three years

Key points:

- Growth of demand for permanent workers in the North of England outpaces UK average
- Quicker increases in staff appointments
- Salaries and wages rise to entice candidates

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.

Strongest upturn in permanent placements since February

Recruitment consultancies in the North of England continued to place additional people in permanent positions in July, with growth accelerating to the quickest in five months and outpacing the UK average. According to panellists, clients acted quickly when making final decisions on hiring candidates, while there were also reports of stronger demand among employers. Quicker expansions in permanent placements were also noted in two other regions, with Scotland and London recording softer increases. The weakest upturn was registered in the capital.

Amid reports of greater client demand for temporary and contract workers, agencies' staff billings in the North of England rose further. Moreover, the pace of growth quickened to the strongest since May 2016. Temp billings across the UK increased during July, as has been observed on a monthly basis since May 2013. The upturn was led by the North of England, while Scotland saw the slowest rate of expansion.

Permanent staff demand in the North of England

increased to the greatest extent in nearly three years during July. The upturn was robust and the second-quickest of the five tracked regions, behind only Scotland. Although growth of temp job vacancies in the North of England eased to a six-month low, it remained sharp.

Steep drop in permanent candidate supply

The availability of candidates willing to undertake full-time employment in the North of England deteriorated further in July, taking the current sequence of contraction to four-and-a-half years. The rate of reduction was steep and matched that seen across the UK as a whole. Accountants, finance staff, engineers, and IT professionals were among the key applicants reported in short supply. The downturn in candidate availability for permanent positions remained widespread across the five UK areas. The worst-affected region continued to be the South of England. The slowest drop was noted in London.

Candidate numbers for temporary/contract jobs in the North of England fell in July, with recruitment consultancies indicating shortages of accounting, financial, blue collar, IT and clerical job seekers. The pace of reduction was sharp, but eased from June. Temp availability dipped across the board during July. The fastest decrease was again noted in the South of England, where the rate of contraction matched June's recent record. At the UK level, temp labour supply deteriorated at the fastest pace since December 2015.

North of England sees second-quickest rise in starting salaries of all UK regions

Starting salaries for newly-placed staff in the North of England continued to rise in July amid reports of ongoing efforts to attract candidates. The rate of salary inflation slowed slightly since June, but remained stronger than its long-run average.

Permanent remuneration in the UK rose at the most pronounced pace in 20 months, reflecting quicker increases in Scotland, the Midlands and the South of England. The latter saw the strongest rise in permanent pay of the five tracked regions. Meanwhile, salary inflation in the capital eased to a seven-month low.

In contrast to the trend for permanent starting salaries, temp pay in the North of England rose at a quicker pace during July. The rate of inflation was marked and picked up to the fastest since May 2016. The latest increase in short-term pay matched that seen for the UK as a whole. There were regional divergences with regards to wage inflation. Slower rises in temp pay were registered in the Midlands and the South of England, while rates of inflation picked up elsewhere.

Comments:

REC chief executive Kevin Green says:

“The jobs market continues to confound expectations with permanent placements in the North increasing at the fastest rate for five months, bringing up the UK average. Starting salaries are also still rising, so for workers who want to boost their earnings now is a good time to consider moving job.”

“It’s clear that employers are having to work even harder to fill jobs as vacancies rise and candidate availability shrinks. UK employment remains at an all-time high and looks set to keep improving. The parts of the economy most reliant on European workers are under even more pressure as many EU workers return home. Employers are not just struggling to hire the brightest and the best but also people to fill roles such as chefs, drivers and warehouse workers.”

“We can’t ignore the importance of our relationship with the EU to employers. If we want to keep our jobs market successful and vibrant, we must make it easier, not harder, for employers to access the people they need.”

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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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