

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 01:01 (UK) September 8<sup>th</sup> 2017**

### Report on Jobs: North of England

#### **Growth of permanent placements in the North of England outstrips UK average**

##### **Key points:**

- Both permanent staff appointments and temp billings expand sharply
- Candidate availability declines further
- Starting salaries and temp pay continue to rise at above-trend rates

##### **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.

##### **Robust rise in permanent placements**

Growth of permanent placements in the North of England outpaced the UK average for the second month in succession during August, with the respective index indicative of a sharp rate of expansion that was also above its long-run average. The upturn reportedly reflected higher demand for permanent workers. Softer rises were also noted in London and the Midlands, while stronger rates of expansion were recorded in both Scotland and the South of England. The best-performing region on this front was, nevertheless, the Midlands.

August data indicated that agencies' temporary staff billings in the North of England increased at a slower pace. The rate of growth remained sharp and well above its historical trend, despite falling below the national average. Temp billings in the UK as a whole rose at the same rate as that noted in July, with a stronger upturn in the Midlands offsetting the slowdowns registered in Scotland, London and the North of England. The rate of expansion in the South of England, meanwhile, matched July's three-year

peak.

Permanent job vacancies in the North of England rose at the quickest pace in almost three years in August, and one that was above the UK-wide trend. Growth of temp positions also picked up, but lagged behind the UK average (34-month high).

##### **Downturn in permanent candidate numbers eases**

Recruitment consultancies in the North of England continued to signal shortages of candidates for permanent positions, with accountants, engineers, secretaries, healthcare and IT job seekers reported to be scarce during August. The overall reduction in permanent staff supply was sharp, despite slowing to the weakest since April. The North of England bucked the regional trend of accelerated rates of contraction in permanent candidate numbers, and was the only locality to note a weaker decline. The most pronounced drop in staff availability was recorded in the South of England.

Companies also noted another monthly decrease in candidates seeking to fulfil temporary/contract roles in the North of England. The rate of deterioration accelerated since July, but was softer than noted across the UK as a whole. Among the key skills reported in short supply were accountants, chefs, electricians, drivers, engineers, secretaries and receptionists. Quicker contractions were likewise registered in the other four monitored UK regions. As a result, temp staff supply at the national level dipped at the fastest pace in 20 months.

##### **North of England sees second-strongest rise in permanent starting salaries of all regions**

Permanent starters salary inflation in the North of England softened to a three-month low in August

and was below the national average. In spite of this, the rate of increase remained historically elevated. Indeed, almost 24% of recruitment consultancies indicated higher starting salaries, whereas less than 2% noted a reduction. Where pay growth was signalled, panellists reported a candidate-driven market and counteroffers. The rate of permanent starters salary inflation in the UK climbed to a 22-month high during August. This reflected stronger rises in London (two-month high) and the South of England (28-month peak), while softer increases were noted elsewhere.

Temp pay in the North of England was raised to a lesser extent than in July. However, as was the case for permanent starting salaries, the rate of inflation was well above its long-run average. Anecdotal evidence pointed to shortages of candidates for temp positions as the main factor leading to higher wages. Temp pay rates in the UK rose at a stronger pace in August, one that was the most marked since April 2016. By region, the sharpest increase was recorded in the Midlands (16-month high), followed by the South of England (four-month high).

### Comments:

**Kevin Green, REC Chief Executive** says:

*“As this month’s report clearly shows, employers are increasingly turning to recruitment agencies as it becomes harder to find the people to fill the jobs available. There are two trends at play. Businesses are seeking more professional and managerial capability, so we’re seeing high demand for roles like financial directors, analysts, and compliance and HR professionals. Meanwhile, there is a significant shortage of people to fill blue collar roles such as drivers, electricians, and construction workers, and this is being exacerbated by a fall in net migration from the EU.*”

*“In many areas of the jobs market candidate supply cannot meet demand. Employers are having to offer more money to secure the people with the skills they need. While the working population in general has experienced a pay squeeze, there are clearly opportunities now to earn more by moving jobs.*”

*“This is good news for individuals, but businesses will be concerned about the sustainability of this trend. Businesses can only grow if they have access to the people and skills they need. It is essential that the government recognises this by developing an evidence-based immigration system that will support the economy.”*

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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](mailto: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](http://www.rec.uk.com)

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