

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: South of England (excluding London)

Staff appointments rise at quickest pace for three months in December

Key points:

- Permanent placements and temp billings both rise at stronger rates
- Pay inflation remains sharp amid further drop in candidate availability
- Demand for staff softens, but remains historically strong

Summary:

The Report on Jobs: South contains original data from the survey of recruitment and employment consultants in the South of England (excluding London). 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.

Steeper increase in permanent staff placements

Recruitment consultancies based in the South of England signalled higher amounts of people placed in permanent job roles for the seventeenth month running in December. Notably, the pace of expansion picked up from November's recent low to the most marked since September. That said, growth remained weaker than that seen at the national level. The Midlands and the North of England also saw stronger increases in permanent placements, while rates of expansion softened in London and Scotland.

Latest data signalled a further sharp increase in billings received from the recruitment of temp staff in the South of England. Despite strengthening to a three-month record, the pace of expansion was below the UK average. All other monitored regions also noted higher temp billings in December except for Scotland, which registered the first reduction for 13 months.

Demand for permanent staff in the South of England continued to rise strongly in December, and was only

slightly softer than that seen at the UK level. This was despite growth easing to a 12-month low. At the same time, vacancies for short-term staff in the South of England increased at a pace that, although sharp, was less marked than the UK average.

Sharpest drop in permanent candidate supply for six months

December survey data pointed to an accelerated and sharp drop in permanent candidate numbers in the South of England. The overall availability of permanent workers also declined at a faster pace across the UK as a whole, although the rate of reduction was slower than in the South of England. Quicker declines in permanent staff supply were seen in London, Scotland and the North of England.

The availability of short-term workers in the South of England fell for the fifty-second successive month in December. Despite softening to the least marked for 11 months, the rate of reduction remained sharp. The supply of temp staff also declined at a steep pace across the UK as a whole, and one that was slightly quicker than in the South of England. London registered the fastest drop in temporary worker availability.

Starting salary inflation slips to six-month low, but remains sharp

Recruitment agencies in the South of England continued to signal higher starting salaries for permanent job roles in December. Low candidate availability was linked by a number of panellists to the latest increase in starting salaries. Although the pace of inflation softened for the third month in a row, the increase was the fastest seen of all five monitored UK regions. Nonetheless, sharp rates of inflation were also registered elsewhere.

Temp pay growth in the South of England quickened to a three-month record in December. Furthermore,

the rate of wage inflation was slightly stronger than that seen at the national level, after lagging behind it in the previous two months. Pay growth also strengthened in London and Scotland, but softened in the Midlands and the North of England.

Comment:

Kevin Green, REC Chief Executive says:

“The number of people finding jobs via recruiters is growing, even while the overall employment rate is plateauing. This suggests that more employers are turning to recruiters to help them fill vacancies as candidate availability continues to fall and recruiting good people becomes that much harder.

“Nursing and medical staff remain the most in demand for temporary roles across the UK – further evidence of the strain the NHS is feeling on filling vacancies. Recruiters are reporting a vast number of job areas that employers are finding hard to fill including, welders, van drivers and, for the first time, baristas.

“Employers as a response to these candidate shortages are offering increased starting salaries to attract staff but while this has been the case for some time it isn’t translating into significant wage growth across the economy yet.

“Early in the New Year, people often think about changing jobs, so employers are going to have to think carefully about how they can both retain existing capabilities and find the new hires they need as competition for people intensifies. Bosses should consider going to wider talent pools and to be inventive about how to improve their employer brand and make themselves an even more attractive place to work.”

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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 400 UK recruitment and employment consultancies. In 2016/17, recruiters placed nearly a million people into a new permanent job and on any given day there are 1.3 million temporary agency workers active in the labour market. 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 four regional reports tracking labour market trends across the Midlands, the North of England, the South of England 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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