

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Staff placements continue to rise sharply in August

Key points:

- Permanent placements and temp billings both rise at marked rates
- Demand for staff increases at fastest rate since April 2015
- Candidate availability declines at quicker pace, pushing pay rates higher

Summary:

The IHS Markit/REC Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Staff appointments continue to rise sharply in August

The number of people placed into permanent job roles continued to rise sharply in August, with the rate of growth easing only slightly from July's recent record. Temp billings also rose markedly, with the rate of expansion unchanged from July's 29-month high.

Staff vacancies rise at quickest rate for 28 months

August data pointed to a further steep increase in staff vacancies. Furthermore, growth of demand for staff reached its highest since April 2015.

Pay growth strengthens...

Growth of permanent starting salaries accelerated for the fourth month running in August. Notably, it was the quickest rate of pay inflation seen since October 2015. Temp pay also increased at a faster pace, rising at the steepest rate for 16 months in August.

...amid further drop in candidate availability

The availability of candidates to fulfil permanent job roles continued to decline sharply in August, with the rate of deterioration slightly quicker than seen in July. Temp staff supply meanwhile fell to the greatest extent in 20 months.

Regional variation

Growth of permanent placements was strongest in the Midlands and the North of England. Meanwhile, London continued to record only a marginal rate of expansion that was the slowest of all monitored regions.

Temp billings data split by region showed that the Midlands saw the fastest rate of growth, closely followed by the South of England. Nonetheless, all of the remaining regions monitored by the survey also noted steep rates of expansion.

Sector variation

Private sector staff demand picked up again in August, with the number of vacancies rising at similarly sharp rates for both permanent and short-term staff.

Demand for public sector staff remained less marked than seen in the private sector, but was nonetheless steep overall. Growth in demand for temporary public workers continued to outstrip that for permanent workers in the sector.

Demand for permanent workers rose across all monitored job categories during August. The steepest increase in vacancies was seen in IT & Computing, followed by Accounting/Financial. Construction saw the weakest upturn in permanent staff demand.

Occupying top position in the temporary/contract staff demand rankings during August was Blue Collar. Engineering and Nursing/Medical/Care

completed the top three. Nonetheless, all other job categories also registered sharp rates of growth.

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.”

Full reports and historical data from the Report on Jobs are available by subscription. Please contact economics@ihsmarkit.com

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, Principal Economist, Telephone 01491 461010 / annabel.fiddes@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 400 UK recruitment and employment consultancies. In 2014/15, 1,197,928 people were employed in either temporary or contract work through consultancies and 633,992 people were placed in permanent positions through consultancies. 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 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

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

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