

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs: Midlands

Growth in staff appointments remains sharp in April

Key points:

- Further marked rises in permanent placements and temporary billings
- Salary inflation softens slightly, while temp pay rates increase at sharper pace
- Candidate availability drops at quickest rate for six months

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.

Permanent placements continue to rise sharply

Recruitment agencies in the Midlands reported a further rise in the number of people placed in permanent job roles in April. Despite easing slightly from the previous month, the rate of expansion was sharp and the strongest of all five monitored UK regions. Scotland posted the second-strongest rate of increase, while London saw the weakest. At the UK level, growth in permanent placements weakened to a seven-month low.

April jobs data signalled a sustained increase in billings received from the recruitment of temporary workers in the Midlands. Moreover, the rate of growth quickened slightly to a three-month high. The upturn was broadly in line with that seen for the UK as a whole, where the rate of increase quickened to the strongest seen in 2017 so far. Growth was led by Scotland and London, while the South saw the slowest increase in temp billings in April.

The number of permanent job vacancies in the Midlands continued to rise sharply in April, despite the rate of growth easing since the previous month.

Demand for temporary staff in the region also rose at a robust pace, albeit the weakest seen in eight months. In both cases, growth of demand for staff was slightly softer than registered across the UK as a whole.

Supply of permanent candidates declines at quickest rate in six months

The availability of candidates to fulfil permanent roles in the Midlands declined in April, as has been the case in each month for the past four years. Notably, the rate of deterioration was the strongest since last October. However, the latest reduction was slightly weaker than that seen for the UK as a whole, where the rate of decline was the steepest for 16 months. Broken down by region, the South of England and London saw the most marked deteriorations in candidate availability, while the North saw the weakest.

Recruitment consultancies continued to note a drop in temp labour supply across the Midlands at the start of the second quarter. As was the case with permanent candidate numbers, the rate of decline was the fastest seen since last October. Furthermore, only one other monitored UK region (the South) saw a steeper deterioration in temporary labour supply in the latest survey period. At the national level, the availability of temporary/contract workers dropped at the quickest rate since December 2015.

Growth of starting salaries eases but remains sharp

Salaries paid to successfully placed permanent starters in the Midlands continued to increase during April. The rate of inflation remained sharp, despite weakening to a three-month low. At the UK level, starting salaries also rose sharply, despite the rate of increase slowing since March, with softer expansions noted in all regions except for Scotland.

Continuing the trend that has been observed since February 2013, hourly pay rates offered to temporary/contract workers in the Midlands increased in April. Moreover, the rate of wage inflation accelerated to an 11-month record and was the second-fastest recorded of all five surveyed UK regions (behind Scotland). Temp pay growth also quickened across the UK as a whole, reaching its fastest in 2017 to date.

Comment:

REC Chief Executive Kevin Green says:

“Demand for staff is growing within all sectors and all regions of the UK, but there are fewer and fewer people available to fill the vacancies. We have the lowest unemployment rate since 2005, and people already in work are becoming more hesitant about moving jobs amid Brexit uncertainty. Meanwhile, the weakening pound and lack of clarity about future immigration rules is putting off some EU nationals from taking up roles in the UK.

“As a result, candidate availability is at a 16-month low and recruiters are flagging a shortage of suitable applicants for more than 60 different roles from cleaner to accountant. Every shortage has wider implications, for example the exceptional reputation UK engineering enjoys globally is at risk because employers can’t find people with the skills they need

“One thing is for certain, if British business is to thrive then whichever party forms a government after 8 June needs to address the ever-shrinking pool of suitable candidates by investing in skills and career advice for UK jobseekers, as well as safeguarding access to the workers we need from abroad. It is vital that the future immigration system is agile enough to reflect and adapt to evolving labour market needs.”

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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

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