

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Staff appointments increase at softest pace for six months

Key points:

- Growth of staff appointments held back by uncertain outlook and skill shortages
- Availability of permanent and temporary workers continues to fall sharply
- Starting salaries increase at second-quickest rate since November 2015

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 expand at softer pace

Growth in permanent staff placements remained robust at the start of the final quarter of 2017, despite the rate of increase edging down to a six-month low. Temp billings also rose at the softest pace since April, though growth remained comfortably above the survey average.

Growth of demand for staff remains sharp despite edging down

Staff vacancies rose sharply for permanent and temporary roles during October. This was despite growth of demand softening for the second successive month across both categories.

Availability of candidates continues to decline sharply...

October data pointed to a further marked decline in the availability of temporary and permanent workers across the UK, with the latter noting the steeper rate of reduction.

...leading to further increase in pay rates

A sustained upturn in demand for staff and lower candidate availability led to further increases in pay. Starting salaries rose sharply overall, with the rate of inflation quickening to its second-strongest since November 2015. In contrast, temp pay rates rose at a pace that, though marked, was the weakest since March.

Regional variation

On a regional basis, Scotland registered the quickest upturn in permanent placements in October, followed by the Midlands. London meanwhile saw a solid increase after a marginal drop in September.

Temp billings rose sharply across all monitored UK regions, led by the North of England. The softest, albeit still marked, increase was seen in the Midlands.

Sector variation

Recruitment consultants signalled further increases in demand for staff across both the private and public sector during October.

The private sector continued to record the quickest upturn in demand for staff, and registered sharp increases in both permanent and temporary staff vacancies. Meanwhile, growth of demand for temporary workers remained stronger than that for permanent staff in the public sector.

October data indicated that Accounting/Financial remained at the top of the rankings for permanent staff demand. IT & Computing and Engineering scored second and third place, respectively. The least marked increase in permanent vacancies was seen for construction workers.

Broad-based growth of demand for temporary staff was reported in October. The strongest increase was signalled for Nursing/Medical/Care workers, followed by Blue Collar and Accounting/Financial.

Kevin Green, REC Chief Executive says:

“Last month, recruiters helped even more people find permanent jobs – this is great news as it shows that employers are continuing to hire. However, the data also shows that growth is slowing down and one of the reasons is that we simply do not have enough people for all the roles that are out there at the moment. And the number of vacancies is still getting higher.

“For jobseekers this is good news as employers are willing to pay higher starting wages to attract the right candidates.

“We already know that EU workers are leaving because of the uncertainties they are facing right now. We therefore need clarity around what future immigration systems will look like. Otherwise, the situation will get worse and employers will face even more staff shortages.”

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

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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 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

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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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