

News Release

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

Staff appointments rise at slowest pace since last September

Key points:

- Growth in permanent placements and temp billings weakest for seven months
- Candidate availability falls at quicker rate than the UK average
- Strong rates of pay inflation maintained

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.

Permanent placements growth eases in April

The number of people placed in permanent jobs in the South of England increased for the ninth month running in April. That said, the rate of growth weakened to the slowest since last September. Nonetheless, the rate of expansion was broadly in line with the UK average. Encouragingly, all of the four remaining monitored UK regions registered an increase in permanent placements, with the Midlands and Scotland posting the fastest rates of expansion.

Agencies' billings from the employment of temporary/contract staff continued to increase in the South of England during April. The pace of expansion slowed for the second successive month and, though solid, was the slowest recorded since September 2016. Notably, it was the weakest rate of growth seen across all five monitored UK regions and much slower than the UK average. The sharpest increases in temp billings were recorded in Scotland and London.

Demand for permanent staff continued to rise

sharply across the South of England in April. This was despite the rate of demand growth easing from March's 15-month high. The number of vacancies for temporary staff in the region also rose markedly. However, the rate of growth eased to its weakest in three months and was slower than the UK-wide average.

Fastest drop in availability of temp labour for 17 months

The supply of candidates for temporary positions in the South of England declined for the forty-fourth month running in April. Notably, the rate of reduction was the sharpest seen since November 2015, and the steepest recorded of all UK regions monitored by the survey. Nonetheless, temporary candidate availability continued to decline across the UK as a whole, with the rate of reduction quickening to a 16-month record.

Recruitment consultancies based in the South of England saw a further marked drop in the availability of candidates for permanent jobs in April. Furthermore, the rate of deterioration was the quickest recorded for five months and the strongest seen across all monitored regions. The North was the only region to see a softer fall in permanent candidate availability. As a result, the supply of permanent labour at the UK level declined at the quickest pace since December 2015.

South continues to see sharpest increase in starting salaries

The rate of salary inflation for newly-placed permanent staff eased for the second successive month in the South of England, but remained sharp overall. Furthermore, the rate of increase was the strongest recorded of all five UK regions, continuing the trend that has been evident since the start of 2017. Further marked increases were nonetheless seen across the remaining four regions in April. London saw the slowest, albeit still sharp, increase in starting salaries. Across the UK as a whole, salaries rose at a pace that, though sharp, was the

slowest seen in 2017 to date.

Average hourly pay rates for temporary workers in the South of England continued to increase at the start of the second quarter. Furthermore, the rate of inflation quickened to the sharpest in 11 months. At the UK level, the rate of temp pay inflation quickened to a four-month high, but was slower than that seen in the South of England. The sharpest increases in short-term pay rates were seen in Scotland and the Midlands.

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 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 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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