

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs

Staff appointments increase at fastest rate for over two years as candidate availability drops

Key points:

- Permanent placements growth reaches 27-month record
- Temp billings increase at the fastest rate for nearly two-and-a-half years
- Marked decline in staff availability contributes to further increases in pay

Summary:

The 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.

Sharp growth in staff appointments

July survey data indicated that permanent placements increased to the greatest extent in 27 months. At the same time, growth in temp billings improved to a near two-and-a-half year high.

Robust demand for staff

Recruitment agencies signalled a sustained and marked increase in demand for staff. Furthermore, overall demand for staff rose at its joint-strongest pace for 23 months (on par with May 2017).

Candidate availability continues to decline markedly...

The availability of both permanent and temporary workers continued to fall sharply during July. The rate of reduction eased for permanent staff, but the availability of temporary candidates declined at the quickest pace for just over a year-and-a-half.

...imparting further upward pressure on pay

Starting salaries for successful permanent candidates rose further in July, with the rate of inflation reaching a 20-month record. At the same time, hourly pay rates for short-term staff continued to increase sharply.

Regional variation

The strongest upturn in permanent placements was recorded in the Midlands, closely followed by the North of England. The weakest increase was seen in London, where growth softened to an eight-month low.

All monitored regions saw sharp increases in temp billings during July, led by the North of England.

Sector variation

The demand for staff across the private sector continued to outpace that recorded for the public sector in July.

The number of vacancies at private sector companies increased sharply overall, with growth picking up slightly since June. However, growth in demand for both temporary and permanent workers softened across the public sector.

July survey data signalled sharp increases in demand for permanent workers across all monitored job categories, led by Engineering. Accounting/Financial and IT & Computing achieved second and third place in the rankings, respectively.

Blue Collar recorded the quickest upturn in temporary staff demand of all nine job categories in July. Hotel & Catering and Nursing/Medical/Care also saw steep increases in demand, while Executive/Professional placed at the bottom of the table.

Kevin Green, REC Chief Executive says:

“The jobs market continues to confound expectations with both permanent and temporary placements growing at the fastest rate for over two years. Starting salaries are also still rising, so for workers who want to boost their earnings now is a good time to consider moving job.”

“It's clear that employers are having to work even harder to fill jobs as vacancies rise and candidate availability shrinks. UK employment remains at an all-time high and looks set to keep improving. The parts of the economy most reliant on European workers are under even more pressure as many EU workers return home. Employers are not just struggling to hire the brightest and the best but also people to fill roles such as chefs, drivers and warehouse workers.”

“London in particular is feeling the Brexit effect. Hiring is still growing but at a much slower rate compared with every other region of the UK. Financial services, a crucial part of the London labour market, are not hiring in their usual quantity as the uncertainty caused by Brexit makes them hesitant.”

“We can't ignore the importance of our relationship with the EU to employers. If we want to keep our jobs market successful and vibrant, we must make it easier, not harder, for employers to access the people they need.”

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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